Enactus

Independent Auditor's Report and Consolidated Financial Statements

August 31, 2014 and 2013

BKD LLP
CPAs & Advisors

Enactus
August 31, 2014 and 2013

BKD LLP
CPAs & Advisors

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Independent Auditor's Report

Board of Directors
Enactus
Springfield, Missouri

We have audited the accompanying consolidated financial statements of Enactus, which comprise the consolidated statements of financial position as of August 31, 2014 and 2013, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Enactus as of August 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide assurance on it.

BKD, LLP

Springfield, Missouri
April 13, 2015

Enactus

Consolidated Statements of Financial Position

August 31, 2014 and 2013

Assets

	2014	2013
Cash and cash equivalents	$ 676,630	$ 759,958
Accrued interest and other receivables	6,688	11,982
Prepaid supplies	28,000	27,168
Prepaid expenses	831,257	406,017
Investments	3,307,907	3,180,614
Contributions receivable, net of allowance; 2014 – $50,000, 2013 – $50,000	2,886,541	3,548,200
Property and equipment, net	6,937,608	7,219,256
Other	95,410	81,061
Total assets	$ 14,770,041	$ 15,234,256

Liabilities and Net Assets

	2014	2013
Liabilities		
Accounts payable	$ 338,618	$ 604,049
Accrued expenses	300,354	295,766
Accrued incentive salaries	31,515	9,427
Line of credit	2,000,000	-
Long-term debt	267,946	344,818
Total liabilities	2,938,433	1,254,060
Net Assets		
Unrestricted	6,239,037	6,787,422
Temporarily restricted	3,971,368	5,571,571
Permanently restricted	1,621,203	1,621,203
Total net assets	11,831,608	13,980,196
Total liabilities and net assets	$ 14,770,041	$ 15,234,256

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Consolidated Statements of Activities

Years Ended August 31, 2014 and 2013

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support				
Contributions	$ 4,586,026	$ 7,038,465	$ -	$ 11,624,491
Grants	-	-	-	-
In-kind contributions	780,786	-	-	780,786
Investment return	14,216	393,653	-	407,869
Other	70,318	-	-	70,318
Net assets released from restrictions	8,832,549	(8,832,549)	-	-
Total revenue, gains and other support	14,283,895	(1,400,431)	-	12,883,464
Expenses and Losses				
Program services	12,598,910	-	-	12,598,910
Management and general	591,499	-	-	591,499
Fundraising	1,641,871	-	-	1,641,871
Provision for uncollectible contributions	-	199,772	-	199,772
Total expenses and losses	14,832,280	199,772	-	15,032,052
Change in Net Assets	(548,385)	(1,600,203)	-	(2,148,588)
Net Assets, Beginning of Year	6,787,422	5,571,571	1,621,203	13,980,196
Net Assets, End of Year	$ 6,239,037	$ 3,971,368	$ 1,621,203	$ 11,831,608

	2013		
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$ 5,234,090	$ 10,248,087	$ -	$ 15,482,177
-	300,000	-	300,000
174,052	-	-	174,052
7,692	163,944	-	171,636
75,887	-	-	75,887
7,727,394	(7,727,394)	-	-
13,219,115	2,984,637	-	16,203,752
11,970,173	-	-	11,970,173
572,889	-	-	572,889
1,440,625	-	-	1,440,625
-	50,518	-	50,518
13,983,687	50,518	-	14,034,205
(764,572)	2,934,119	-	2,169,547
7,551,994	2,637,452	1,621,203	11,810,649
$ 6,787,422	$ 5,571,571	$ 1,621,203	$ 13,980,196

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Consolidated Statements of Cash Flows

Years Ended August 31, 2014 and 2013

	2014	2013
Operating Activities		
Change in net assets	$ (2,148,588)	$ 2,169,547
Items not requiring (providing) cash		
Depreciation and amortization	369,287	416,143
Net gain on investments	(314,961)	(88,024)
Loss on disposal of property and equipment	4,671	2,399
Changes in		
Accounts receivable	5,294	16,706
Prepaid supplies	(832)	(1,236)
Prepaid expenses	(425,240)	(98,194)
Contributions receivable	661,659	(1,746,978)
Accounts payable and accrued expenses	(238,755)	376,965
Other assets	(14,349)	(9,468)
Net cash provided by (used in) operating activities	(2,101,814)	1,037,860
Investing Activities		
Purchase of property and equipment	(92,310)	(147,885)
Purchase of investments	(498,809)	(614,152)
Proceeds from sale of investments	686,477	458,273
Net cash provided by (used in) investing activities	95,358	(303,764)
Financing Activities		
Principal payments on note payable	(76,872)	(179,178)
Proceeds from borrowings on line of credit	4,025,000	3,125,000
Principal payments on line of credit	(2,025,000)	(3,475,000)
Net cash provided by (used in) financing activities	1,923,128	(529,178)
Increase (Decrease) in Cash and Cash Equivalents	(83,328)	204,918
Cash and Cash Equivalents, Beginning of Year	759,958	555,040
Cash and Cash Equivalents, End of Year	$ 676,630	$ 759,958
Supplemental Cash Flows Information		
Interest paid	$ 82,936	$ 63,957

Enactus

Notes to Consolidated Financial Statements

August 31, 2014 and 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Enactus (the "Organization") is an international not-for-profit organization that brings together student, academic and business leaders who are committed to using the power of entrepreneurial action to enable progress around the world. Guided by faculty advisors and business experts, participating students form teams on their campuses to create and implement community projects that empower people to improve their quality of life and standard of living. The experience not only transforms lives, it helps students develop the kind of talent and perspective that are essential to becoming effective, values-driven leaders. An annual series of regional and national competitions provides a forum for teams to showcase the impact of their outreach efforts and to be evaluated by executives serving as judges. National champion teams advance to the prestigious World Cup. In addition to the community aspect of the program, special leadership and career initiatives create meaningful opportunities for cross-generational learning and exchange as well as the placement of students and alumni with companies in search of emerging talent. The Organization's revenues and other support are derived through corporate and organizational partners, foundations, government agencies and individual donors. Originally founded in 1975 as Students In Free Enterprise, the Organization officially changed its name to "Enactus" in October 2012.

Principles of Consolidation

The consolidated financial statements include the accounts of Enactus HQ and USA, Enactus China, Enactus Mexico, Enactus India and Enactus Brazil. All significant interorganization balances and transactions have been eliminated in consolidation. Enactus China and Enactus Mexico have a fiscal year of December 31, Enactus India has a fiscal year of March 31 and Enactus Brazil has a fiscal year of August 31.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. At August 31, 2014 and 2013, the Organization's cash equivalents consisted of money market funds held by a broker, which are not FDIC insured.

At August 31, 2014, the Organization's cash accounts held in the United States exceeded federally insured limits by approximately $176,800.

At August 31, 2014 and 2013, cash and cash equivalents outside of the United States approximated $429,400 and $314,600, respectively, and are not insured.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statement of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

The Organization maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Property and Equipment

Property and equipment are depreciated on a straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations are depreciated over the shorter of the lease term or their respective estimated useful lives.

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended August 31, 2014 and 2013.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

In-Kind Contributions

In addition to receiving cash contributions, the Organization receives in-kind contributions of advertising, office supplies and other miscellaneous items from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its financial statements and similarly increase contribution revenue by a like amount. For the years ended August 31, 2014 and 2013, $780,786 and $174,052, respectively, were received in in-kind contributions.

Grants

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays could be subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization files tax returns in the U.S. federal jurisdiction. With a few exceptions, the Organization is no longer subject to U.S. federal examinations by tax authorities for years before 2011.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program, management and general and fundraising categories based on the nature of the expense.

Note 2: Investments and Investment Return

Investments at August 31 consist of the following:

	2014	2013
Government agency securities and bonds	$ 915,824	$ 991,151
Corporate debt securities	619,076	540,934
Mutual funds	865,032	309,559
Equity securities		
Consumer discretionary	101,149	188,439
Consumer staples	84,882	137,924
Energy and utilities	102,796	142,452
Finance	138,144	242,521
Health care	134,603	152,196
Industrials	103,721	191,282
Information technology	139,878	228,072
Other	102,802	56,084
	$ 3,307,907	$ 3,180,614

Total investment return is comprised of the following at August 31:

	2014	2013
Interest and dividend income	$ 92,908	$ 83,612
Net realized and unrealized gains on investments reported at fair value	314,961	88,024
	$ 407,869	$ 171,636

The Organization incurred investment expenses of $17,003 and $15,643 during the years ended August 31, 2014 and 2013, respectively.

Note 3: Contributions Receivable

Contributions receivable consist of the following at August 31:

	2014	2013
Due within one year	$ 2,013,349	$ 1,844,915
Due in one to three years	930,485	1,760,970
	2,943,834	3,605,885
Less		
Allowance for uncollectible contributions	50,000	50,000
Unamortized discount	7,293	7,685
	$ 2,886,541	$ 3,548,200

Contributions receivable at August 31, 2014 and 2013, consisted of $2,886,541 and $3,548,200, respectively, for general operations of the Organization. Discounts were approximately 3.75% and 0.50% for 2014 and 2013, respectively.

Note 4: Property and Equipment

Property and equipment at August 31 consists of:

	2014	2013
Land	$ 684,841	$ 684,841
Land improvements	74,637	74,637
Buildings and leasehold improvements	7,668,091	7,651,706
Equipment, furniture and fixtures	2,101,554	2,056,048
Vehicle	55,519	38,000
	10,584,642	10,505,232
Less accumulated depreciation	3,647,034	3,285,976
	$ 6,937,608	$ 7,219,256

Note 5: Line of Credit

The Organization has a $3,000,000 revolving bank line of credit due on demand. The line of credit bears interest at the prime rate with a minimum rate of 3.75% and a maximum rate of 18% and expires on May 28, 2015. The interest rate was 3.75% on August 31, 2014 and 2013, and interest is payable monthly. The line is collateralized by all of the Organization's property and equipment, accounts receivable, payment intangibles, life insurance policies, stock certificates, bonds, receipts, confirmations and other similar documents. At August 31, 2014 and 2013, there was $2,000,000 and $0 borrowed against this line, respectively.

Note 6: Long-Term Debt

	2014	2013
Note payable, bank (A)	$ 264,592	$ 329,100
Capital lease obligations (B)	3,354	15,718
	267,946	344,818
Less current maturities	66,970	64,508
	$ 200,976	$ 280,310

(A) Note payable in the original amount of $344,827 that matures on May 28, 2018, bears interest at a fixed rate of 3.70% and is payable in monthly installments of $6,313 including principal and interest. The loan is collateralized by all of the Organization's property and equipment, accounts receivable, payment intangibles, life insurance policies, stock certificates, bonds, receipts, confirmations and other similar documents.

(B) Capital leases include leases covering office equipment for up to five years expiring November 2015.

Aggregate annual maturities of the note payable and payments on capital lease obligations at August 31, 2014, are:

	Note Payable	Capital Lease Obligations
2015	$ 66,970	$ 3,397
2016	69,509	-
2017	72,178	-
2018	55,935	-
2019	-	-
	$ 264,592	3,397
Less amount representing interest		43
Present value of future minimum lease payments		$ 3,354

Property and equipment include the following property under capital leases at August 31, 2014:

	2014	2013
Equipment	$ 44,883	$ 44,883
Less accumulated depreciation	41,529	29,165
	$ 3,354	$ 15,718

Note 7: Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets at August 31 are available for the following purposes or periods:

	2014	2013
For periods after August 31	$ 3,455,755	$ 4,163,411
Other projects	515,613	1,408,160
	$ 3,971,368	$ 5,571,571

Permanently Restricted Net Assets

Permanently restricted net assets at August 31 are restricted to:

	2014	2013
Investment in perpetuity, the income of which is expendable to support		
Sam M. Walton Free Enterprise Fellow	$ 978,000	$ 978,000
Jules and Gwen Knapp Scholarship	350,000	350,000
Jack Kahl/Sam M. Walton Free Enterprise Fellow of the Year	110,000	110,000
Rohrs Scholarship Endowment Fund	74,203	74,203
International Development Fund	27,000	27,000
Jack Shewmaker Spirit of SIFE Award Fund	32,000	32,000
SIFE Emerging Country Launch Fund	50,000	50,000
	$ 1,621,203	$ 1,621,203

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2014	2013
Time restrictions accomplished	$ 8,455,898	$ 7,579,093
Purpose restrictions accomplished		
Building	376,651	148,301
	$ 8,832,549	$ 7,727,394

Note 8: Defined Contribution Plan

The Organization has a defined contribution plan covering substantially all employees. Employer contributions are 3% of wages and then up to an additional 3% match of employee contributions. For the years ended August 31, 2014 and 2013, contribution expense was $175,301 and $145,034, respectively.

Note 9: Endowment

The Organization's endowment consists of approximately seven individual funds established for a variety of purposes. The endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's governing body has interpreted the State of Missouri Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Organization and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Organization
7. Investment policies of the Organization

The composition of net assets by type of endowment fund at August 31, 2014 and 2013, was:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 814,162	$ 1,621,203	$ 2,435,365

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 814,162	$ 1,621,203	$ 2,435,365

Changes in endowment net assets for the years ended August 31, 2014 and 2013, were:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 814,162	$ 1,621,203	$ 2,435,365
Investment return				
Investment income	-	78,692	-	78,692
Net appreciation	-	314,961	-	314,961
Total investment return	-	393,653	-	393,653
Appropriation of endowment assets for expenditure	-	(393,653)	-	(393,653)
Endowment net assets, end of year	$ -	$ 814,162	$ 1,621,203	$ 2,435,365

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 814,162	$ 1,621,203	$ 2,435,365
Investment return				
Investment income	-	75,920	-	75,920
Net appreciation	-	88,024	-	88,024
Total investment return	-	163,944	-	163,944
Appropriation of endowment assets for expenditure	-	(163,944)	-	(163,944)
Endowment net assets, end of year	$ -	$ 814,162	$ 1,621,203	$ 2,435,365

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Organization is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. In accordance with GAAP, deficiencies of this nature, if any, would be reported in unrestricted net assets.

The Organization attempts to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Organization must hold in perpetuity or for donor-specified periods. The primary investment objectives are to preserve principal and provide income to cover expenses of those projects and programs endowed and to achieve this at a level of risk deemed acceptable. Risk is present in all types of securities and investment styles; some risk is necessary to produce long-term investment results that are sufficient to meet the funds' objectives. Endowment assets are invested in a portfolio that are diversified by both asset class, such as equity securities and fixed income and within asset classes to manage volatility. Allocations and performance targets are established and are reviewed by the Organization's Investment Committee and Investment Manager.

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

All endowments will follow spending requirements as intended by the donor and as reflected in the specific endowment agreement with a goal to maximize disbursements and, at the same time, sustain growth in the endowment. If an individual endowment account does not have enough accumulated earnings to make the specified payments, the payments are made out of unrestricted net assets. Payouts will be reviewed and adjusted as deemed prudent by the Organization's Investment Committee.

Note 10: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
August 31, 2014				
Money market funds	$ 49,358	$ 49,358	$ -	$ -
Equity securities				
Consumer discretionary	101,149	101,149	-	-
Consumer staples	84,882	84,882	-	-
Energy and utilities	102,796	102,796	-	-
Finance	138,144	138,144	-	-
Health care	134,603	134,603	-	-
Industrials	103,721	103,721	-	-
Information technology	139,878	139,878	-	-
Other	102,802	102,802	-	-
Corporate debt securities	619,076	-	619,076	-
Mutual funds	865,032	865,032	-	-
Government agency securities	915,824	-	915,824	-

	Fair Value	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
August 31, 2013				
Money market funds	$ 90,812	$ 90,812	$ -	$ -
Equity securities				
Consumer discretionary	188,439	188,439	-	-
Consumer staples	137,924	137,924	-	-
Energy and utilities	142,452	142,452	-	-
Finance	242,521	242,521	-	-
Health care	152,196	152,196	-	-
Industrials	191,282	191,282	-	-
Information technology	228,072	228,072	-	-
Other	113,451	113,451	-	-
Corporate debt securities	540,934	-	540,934	-
Mutual funds	309,559	309,559	-	-
Government agency securities	991,151	-	991,151	-

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended August 31, 2014.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Organization has no investments classified as Level 3 within the hierarchy.

Note 11: Significant Estimates, Concentrations and Commitments

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Investments

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

Contributions

Approximately 1% and 18% of total contributions were received from one company in 2014 and 2013, respectively.

Note 12: Global Expansion

In addition to the Enactus program in the United States, there are Enactus programs in the nine global regions listed below, encompassing a total of 36 countries. Programs receive various levels of support from Enactus.

Global Region	Country
Africa	Egypt
	Ghana
	Kenya
	Morocco
	Nigeria
	Senegal
	South Africa
	Swaziland
	Tunisia
	Zimbabwe
Oceania	Australia
Central and Eastern Europe	Poland
Central Asia	Azerbaijan
	Kazakhstan
	Kyrgyzstan
	Tajikistan
East Asia	China
	India
	Japan
	Malaysia
	Philippines
	Singapore
	Korea

Global Region	Country
Eurasia	Russia Federation
	Ukraine
North America	Canada
	Mexico
	Puerto Rico
	United States of America
Western Europe	France
	Germany
	Ireland
	Netherlands
	United Kingdom
South America	Brazil
	Guatemala

Note 13: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Supplementary Information

Enactus

Consolidating Schedule – Statement of Financial Position Information

August 31, 2014

	Enactus HQ and USA	Enactus China	Enactus Mexico	Enactus Brazil	Enactus India	Eliminations	Total
Assets							
Cash and cash equivalents	$ 247,257	$ 138,959	$ 11,174	$ 97,075	$ 182,165	$ -	$ 676,630
Accrued interest and other receivables	1,472,340	3,083	871	-	-	(1,469,606)	6,688
Prepaid supplies	28,000	-	-	-	-	-	28,000
Prepaid expenses	724,570	98,321	-	8,366	-	-	831,257
Investments	3,307,907	-	-	-	-	-	3,307,907
Contributions receivable, net of allowance	2,858,366	750,287	-	-	-	(722,112)	2,886,541
Property and equipment, net	6,908,835	5,701	18,104	1,158	3,810	-	6,937,608
Other	95,410	-	-	-	-	-	95,410
Total assets	$ 15,642,685	$ 996,351	$ 30,149	$ 106,599	$ 185,975	$ (2,191,718)	$ 14,770,041
Liabilities and Net Assets							
Liabilities							
Accounts payable	$ 2,005,899	$ 140,419	$ 101,102	$ 148,641	$ 134,275	$ (2,191,718)	$ 338,618
Accrued expenses	269,387	-	-	30,967	-	-	300,354
Accrued incentive salaries	331	-	11,304	19,332	548	-	31,515
Line of credit	2,000,000	-	-	-	-	-	2,000,000
Long-term debt	267,946	-	-	-	-	-	267,946
Total liabilities	4,543,563	140,419	112,406	198,940	134,823	(2,191,718)	2,938,433
Net Assets							
Unrestricted	5,506,551	855,932	(82,257)	(92,341)	51,152	-	6,239,037
Temporarily restricted	3,971,368	-	-	-	-	-	3,971,368
Permanently restricted	1,621,203	-	-	-	-	-	1,621,203
Total net assets	11,099,122	855,932	(82,257)	(92,341)	51,152	-	11,831,608
Total liabilities and net assets	$ 15,642,685	$ 996,351	$ 30,149	$ 106,599	$ 185,975	$ (2,191,718)	$ 14,770,041

Enactus

Consolidating Schedule – Statement of Financial Position Information

August 31, 2013

	Enactus HQ and USA	Enactus China	Enactus Mexico	Enactus Brazil	Enactus India	Eliminations	Total
Assets							
Cash and cash equivalents	$ 445,335	$ 142,788	$ 56,086	$ 43,830	$ 71,919	$ -	$ 759,958
Accrued interest and other receivables	229,977	-	430	-	11,212	(229,637)	11,982
Prepaid supplies	27,168	-	-	-	-	-	27,168
Prepaid expenses	385,887	12,000	-	7,902	228	-	406,017
Investments	3,180,614	-	-	-	-	-	3,180,614
Contributions receivable, net of allowance	3,548,200	658,947	-	-	-	(658,947)	3,548,200
Property and equipment, net	7,211,747	-	3,310	424	3,775	-	7,219,256
Other	81,061	-	-	-	-	-	81,061
Total assets	$ 15,109,989	$ 813,735	$ 59,826	$ 52,156	$ 87,134	$ (888,584)	$ 15,234,256
Liabilities and Net Assets							
Liabilities							
Accounts payable	$ 1,170,186	$ 45,186	$ 121,288	$ 143,200	$ 12,773	$ (888,584)	$ 604,049
Accrued expenses	275,440	-	-	20,326	-	-	295,766
Accrued incentive salaries	7,872	1,555	-	-	-	-	9,427
Long-term debt	344,818	-	-	-	-	-	344,818
Total liabilities	1,798,316	46,741	121,288	163,526	12,773	(888,584)	1,254,060
Net Assets							
Unrestricted	6,118,899	766,994	(61,462)	(111,370)	74,361	-	6,787,422
Temporarily restricted	5,571,571	-	-	-	-	-	5,571,571
Permanently restricted	1,621,203	-	-	-	-	-	1,621,203
Total net assets	13,311,673	766,994	(61,462)	(111,370)	74,361	-	13,980,196
Total liabilities and net assets	$ 15,109,989	$ 813,735	$ 59,826	$ 52,156	$ 87,134	$ (888,584)	$ 15,234,256

Enactus

Consolidating Schedule – Statement of Activities Information

Year Ended August 31, 2014

	Enactus HQ and USA	Enactus China	Enactus Mexico	Enactus Brazil	Enactus India	Eliminations	Total
Revenues, Gains and Other Support							
Contributions	$ 8,217,219	$ 1,906,846	$ 646,699	$ 530,952	$ 322,775	$ -	$ 11,624,491
Grants	-	-	-	-	-	-	-
In-kind contributions	198,788	-	500,313	60,085	21,600	-	780,786
Investment return	407,869	-	-	-	-	-	407,869
Other	52,639	7,420	-	-	10,259	-	70,318
Total revenue, gains and other support	8,876,515	1,914,266	1,147,012	591,037	354,634	-	12,883,464
Expenses and Losses							
Program services	9,114,277	1,671,755	976,288	522,733	313,857	-	12,598,910
Management and general	543,711	13,982	13,403	6,497	13,906	-	591,499
Fundraising	1,231,306	139,591	178,116	42,778	50,080	-	1,641,871
Provision for uncollectible contributions	199,772	-	-	-	-	-	199,772
Total expenses and losses	11,089,066	1,825,328	1,167,807	572,008	377,843	-	15,032,052
Change in Net Assets	(2,212,551)	88,938	(20,795)	19,029	(23,209)	-	(2,148,588)
Net Assets, Beginning of Year	13,311,673	766,994	(61,462)	(111,370)	74,361	-	13,980,196
Net Assets, End of Year	$ 11,099,122	$ 855,932	$ (82,257)	$ (92,341)	$ 51,152	$ -	$ 11,831,608

Enactus

Consolidating Schedule – Statement of Activities Information

Year Ended August 31, 2013

	Enactus HQ and USA	Enactus China	Enactus Mexico	Enactus Brazil	Enactus India	Eliminations	Total
Revenues, Gains and Other Support							
Contributions	$ 12,812,491	$ 1,831,618	$ 273,607	$ 328,505	$ 235,956	$ -	$ 15,482,177
Grants	300,000	-	-	-	-	-	300,000
In-kind contributions	137,788	-	10,351	25,913	-	-	174,052
Investment return	171,636	-	-	-	-	-	171,636
Other	75,076	-	-	-	811	-	75,887
Transfers	-	-	-	-	-	-	-
Total revenue, gains and other support	13,496,991	1,831,618	283,958	354,418	236,767	-	16,203,752
Expenses and Losses							
Program services	9,535,564	1,478,830	352,182	352,039	251,558	-	11,970,173
Management and general	523,418	10,973	13,900	8,727	15,871	-	572,889
Fundraising	1,218,429	78,531	47,464	41,263	54,938	-	1,440,625
Provision for uncollectible contributions	50,518	-	-	-	-	-	50,518
Total expenses and losses	11,327,929	1,568,334	413,546	402,029	322,367	-	14,034,205
Change in Net Assets	2,169,062	263,284	(129,588)	(47,611)	(85,600)	-	2,169,547
Net Assets, Beginning of Year	11,142,611	503,710	68,126	(63,759)	159,961	-	11,810,649
Net Assets, End of Year	$ 13,311,673	$ 766,994	$ (61,462)	$ (111,370)	$ 74,361	$ -	$ 13,980,196