NEW DETROIT, INC.

FINANCIAL STATEMENTS

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

(WITH COMPARATIVE TOTALS FOR 2012)

NEW DETROIT, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

TABLE OF CONTENTS

535 Griswold Street • Suite 2000 • Detroit, Michigan 48226 • Tel: 313/ 965-0500 • Fax: 313/ 965-6976

GREGORY TERRELL & COMPANY

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
New Detroit, Inc.

We have audited the accompanying financial statements of New Detroit, Inc. (a Michigan not-for-profit Corporation), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year 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 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 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 financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of New Detroit, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited New Detroit, Inc.'s December 31, 2012 financial statements, and our report dated August 14, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gregory Terrell & Company

GREGORY TERRELL & COMPANY

Certified Public Accountants

May 22, 2014

NEW DETROIT, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

ASSETS

	2013	2012
Current Assets		
Cash and Cash Equivalents (Note 2, 3 and 6)	$ 2,030,736	$ 2,298,706
Pledges and Accounts Receivable (Net) (Note 4)	154,599	229,728
Prepaid Expenses	29,996	31,360
Total Current Assets	$ 2,215,331	$ 2,559,794
Property and Equipment (Net) (Note 5)	22,993	52,387
Investment-Endowment Fund (Note 6 and 7)	60,091	57,610
Total Assets	$ 2,298,415	$ 2,669,791

LIABILITIES AND NET ASSETS

	2013	2012
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 48,977	$ 59,349
Fiduciary Deposits Payable (Note 8)	247,598	596,876
Liability for Pension Benefits, Current Portion (Note 10)	713,332	483,325
Total Current Liabilities	$ 1,009,907	$ 1,139,550
Long-Term Liabilities		
Liability for Pension Benefits, Net of Current Portion (Note 10)	$ 1,594,334	$ 1,983,074
Total Long-Term Liabilities	$ 1,594,334	$ 1,983,074
Total Liabilities	$ 2,604,241	$ 3,122,624
Net Assets		
Unrestricted	$ (520,239)	$ (681,856)
Temporarily Restricted (Note 9)	214,413	229,023
Total Net Assets	$ (305,826)	$ (452,833)
Total Liabilities and Net Assets	$ 2,298,415	$ 2,669,791

The accompanying notes are an integral part of this statement.

NEW DETROIT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	Unrestricted	Temporarily Restricted	Total 2013	Total 2012
PUBLIC SUPPORT AND REVENUE				
New Detroit Fund Pledges	$ 646,600	$ 201,000	$ 847,600	$ 869,120
Contributions and Grants	519,180	20,300	539,480	712,680
Annual Dinner (Net of expenses of $74,809 in 2013 and $78,715 in 2012)	178,666	-	178,666	147,615
Investment Income	1,330	-	1,330	9,409
Net Realized and Unrealized Gains and (Losses) on Investments	4,551	-	4,551	(1,481)
Other income	19,202	-	19,202	7,640
Net Assets Released from Restrictions (Note 9)	235,910	(235,910)	-	-
Total Public Support and Revenue	$ 1,605,439	$ (14,610)	$ 1,590,829	$ 1,744,983
EXPENSES				
Program Services:				
Enhancing Economic Opportunity	$ 267,313	$ -	$ 267,313	$ 256,083
Impact Institutional Practices	262,949	-	262,949	339,846
Improve Educational Opportunity	250,478	-	250,478	260,845
Community Engagement/Build Public Will	283,350	-	283,350	267,299
Total Program Services	$ 1,064,090	$ -	$ 1,064,090	$ 1,124,073
Supporting Services:				
Management and General	$ 499,546	$ -	$ 499,546	$ 546,363
Fundraising	212,755	-	212,755	173,870
Communications	56,171	-	56,171	69,183
Total Supporting Services	$ 768,472	$ -	$ 768,472	$ 789,416
Total Operating Expenses	$ 1,832,562	$ -	$ 1,832,562	$ 1,913,489
Other Expenses (Revenue):				
Pension-Related Charges (Credits) Other than Net Periodic Pension Cost (Note 10)	$ (388,740)	$ -	$ (388,740)	$ 396,991
Total Other Expenses (Revenue)	$ (388,740)	$ -	$ (388,740)	$ 396,991
Change in Net Assets	$ 161,617	$ (14,610)	$ 147,007	$ (565,498)
NET ASSETS, Beginning of Year	(681,856)	229,023	(452,833)	112,665
NET ASSETS, End of Year	$ (520,239)	$ 214,413	$ (305,826)	$ (452,833)

The accompanying notes are an integral part of this statement.

NEW DETROIT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	Program Services				Supporting Services			Total 2013	Total 2012
	Enhancing Economic Opportunity	Impact Institutional Practices	Improve Educational Opportunity	Community Engagement/ Build Public Will	Management and General	Fundraising	Communications		
Employee Compensation:									
Salaries	$ 122,831	$ 107,844	$ 127,362	$ 95,343	$ 234,316	$ 141,388	$ 12,834	$ 841,918	$ 956,478
Fringe Benefits	53,947	49,063	23,394	78,880	108,419	33,551	1,321	348,575	313,023
Payroll Taxes	10,681	9,773	11,548	8,235	17,639	9,750	771	68,397	85,931
Total Employee Compensation	$ 187,459	$ 166,680	$ 162,304	$ 182,458	$ 360,374	$ 184,689	$ 14,926	$ 1,258,890	$ 1,355,432
Other Expenses:									
Program Initiatives	828	21,416	1,383	426	-	-	-	24,053	11,573
Community Support	450	4,240	5,470	-	3,380	-	-	13,540	12,294
Occupancy	38,413	38,413	42,932	42,932	56,489	6,779	-	225,958	228,953
Professional Fees	12,577	9,818	4,661	18,736	30,321	4,985	-	81,098	62,944
Program Grants	-	-	15,673	-	-	-	-	15,673	17,673
Publications and Promotions	-	-	-	-	-	-	40,540	40,540	41,250
Office Supplies	10,345	8,159	4,566	15,164	18,114	4,052	55	60,455	56,610
Conferences	1,634	1,160	4,075	2,549	4,857	2,555	266	17,096	30,638
Telephone	1,279	952	452	1,842	2,135	1,103	81	7,844	8,337
Meetings and Committee Expenses	1,552	1,210	575	2,303	2,782	641	4	9,067	10,997
Insurance	5,839	4,558	2,164	8,698	10,289	2,314	-	33,862	31,509
Repairs and Maintenance	1,119	874	415	1,667	1,972	444	-	6,491	8,903
Dues and Subscriptions	821	472	223	990	1,009	2,530	299	6,344	5,583
Miscellaneous	-	-	-	-	476	1,781	-	2,257	525
Total Expenses Before Depreciation	$ 262,316	$ 257,952	$ 244,893	$ 277,765	$ 492,198	$ 211,873	$ 56,171	$ 1,803,168	$ 1,883,221
Depreciation (Note 5)	4,997	4,997	5,585	5,585	7,348	882	-	29,394	30,268
Total Expenses	$ 267,313	$ 262,949	$ 250,478	$ 283,350	$ 499,546	$ 212,755	$ 56,171	$ 1,832,562	$ 1,913,489

The accompanying notes are an integral part of this statement.

NEW DETROIT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 147,007	$ (565,498)
Adjustments to Reconcile Change in Net Assets to net Cash Provided (Used) by Operating Activities		
Depreciation	29,394	30,268
Net Unrealized (Gains) Losses on Investments	(2,957)	(4,551)
Decrease (Increase) in Pledges and Accounts Receivable	75,129	(37,516)
Decrease in Prepaid Expenses	1,364	4,556
(Decrease) Increase in Accounts Payable and Accrued Expenses	(10,372)	(6,647)
(Decrease) Increase in Fiduciary Deposits Payable	(349,278)	(851,706)
(Decrease) Increase in Liability for Pension Benefits	(158,733)	584,282
Net Cash (Used for) Provided by Operating Activities	$ (268,446)	$ (846,812)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Disposition of Investments	$ 476	$ 529
Acquisition of Fixed Assets	-	(5,711)
Net Cash (Used for) Provided by Investing Activities	$ 476	$ (5,182)
(Decrease) in Cash and Cash Equivalents	$ (267,970)	$ (851,994)
CASH AND CASH EQUIVALENTS, Beginning of year	2,298,706	3,150,700
CASH AND CASH EQUIVALENTS, End of year	$ 2,030,736	$ 2,298,706

The accompanying notes are an integral part of this statement.

(1) NATURE OF OPERATIONS

New Detroit, Inc. (the "Corporation") is a community based resource center providing social, economic, educational and technical assistance to communities located in Southeast Michigan. The Corporation's principal source of revenue is from pledges, grants, and other forms of contributions made to the New Detroit Campaign fund, managed and operated by the United Way of Southeast Michigan.

The Corporation provides the following program services to communities:

Enhancing Economic Equity – To support the stabilization of local neighborhoods, to enhance community development and provide community members with information about and direction to projected growth occupations.

Impact Institutional Practices – To initiate in closing the gap with practices that adversely affect people of color; and in providing guidance for interracial cooperation and unity. New Detroit's goal is to positively influence the structural practices with institutions and corporations that affect resource allocation decisions, social practices, employment and upward mobility.

Improve Educational Opportunity – To guide our work in urban education to overcome barriers to student's equal participation. Also, to insure that equal educational opportunity is made available to positively affect graduation rates and post-secondary education and to prepare all students of color for college, career and life.

Community Engagement/Build Public Will – To advocate on behalf of communities of color to close the gap on public policies that have negatively affected people of color and to also communicate with communities of color to undertake their own similar advocacy actions.

(2) SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and are in conformity with the industry audit guide for Audits of Not-for-Profit Entities published by the American Institute of Certified Public Accountants.

Financial Statement Presentation

The Corporation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Recognition of Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Tax Exempt Status

The Corporation has been classified by the Internal Revenue Service (“IRS”) as a not-for-profit organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Additionally, the Corporation has been classified by the IRS as an organization that is not a private foundation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all short-term securities purchased with maturities of three months or less to be cash equivalents.

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

Fixed assets are carried at cost or, if donated, at fair market value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from five to ten years. The Corporation's policy is to capitalize acquisitions of five hundred dollars or more.

Functional Allocation of Expenses

Direct expenses, which can be clearly defined as incurred for a specific program, are charged to that program. The Corporation allocates common expenses to program and supporting services based on time studies conducted by management. The Corporation did not conduct any activities for which joint costs were allocated between fund raising expenses and program services or management and general expenses.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Corporation uses fair value measurements in the preparation of its financial statements, which utilize various inputs, including those that can be readily observable, corroborated, or are generally unobservable. The Corporation utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize that use of unobservable inputs. Additionally, the Corporation applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. The FASB codification establishes a framework for measuring fair value, which includes a hierarchy based on the quality of inputs used to measure fair value, and provides specific disclosure requirements based on the hierarchy. The FASB codification requires the categorization of financial assets and liabilities, based on the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The various levels of the FASB codification fair value hierarchy are described as follows:

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the Corporation has the ability to access.

- *Level 2* – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability.

- *Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The FASB Codification requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

(3) CONCENTRATIONS OF RISK

Concentration of Credit Risk

Financial instruments which can potentially subject the Corporation to concentrations of credit risk consist principally of cash, cash equivalents, pledges and accounts receivable. The Corporation's cash is located in two institutions; the cash on deposit in each of these institutions exceeds the $250,000 federally insured limit. The Corporation's pledges receivable are principally due from the general public through the New Detroit Fund Campaign.

(4) PLEDGES AND ACCOUNTS RECEIVABLE

The New Detroit Fund ("NDF") year begins on April 1 and ends on March 31 of the following calendar year. Therefore, included in pledges receivable as of December 31, 2013 are pledges received but not collected as of December 31, 2013 for the fund year ended March 31, 2014:

	2013	2012
Pledges Receivable:		
NDF Pledges for March 31, 2013	$ -	$ 216,000
NDF Pledges for March 31, 2014	156,000	-
Accounts Receivable	5,879	21,008
Total Pledges and Accounts Receivable	$ 161,879	$ 237,008
Less: Allowance for Doubtful Pledges and Accounts	(7,280)	(7,280)
Pledges and Accounts Receivable, Net	$ 154,599	$ 229,728

Collections of New Detroit Fund pledges during 2013 and 2012 were as follows:

	Amount Collected	
	2013	2012
Pledge year ended March 31:		
2012	$ -	$ 813,000
2013	862,600	-
Pledges and Accounts Receivable, Net	$ 862,600	$ 813,000

(5) PROPERTY AND EQUIPMENT

Property and equipment activity for the year ended December 31, 2013 is presented below:

	Beginning of Year	Additions	Retirements	End of Year
Leasehold Improvements	$ 112,037	$ -	$ -	$ 112,037
Furniture and Equipment	258,069	-	-	258,069
Leased Equipment	30,108	-	-	30,108
Subtotal	$ 400,214	$ -	$ -	$ 400,214
Less: Accumulated Depreciation	(347,827)	(29,394)	-	(377,221)
Total Net	$ 52,387	$ (29,394)	$ -	$ 22,993

(6) INVESTMENTS

The Corporation's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2013 and December 31, 2012, are summarized as follow:

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservabl Inputs	Fair Value at Reporting Date 2013	Fair Value at Reporting Date 2012
Investment in Endowment Fund	$ -	$ -	$ 60,091	$ 60,091	$ 57,610
Cash and Cash Equivalents	2,030,736	-	-	2,030,736	$ 2,298,706
Total	$ 2,030,736	$ -	$ 60,091	$ 2,090,827	$ 2,356,316

(6) INVESTMENTS (CONTINUED)

The fair value reconciliation of the Corporation's Level 3 assets measured at fair value on a recurring basis for the year ended December 31, 2013 is as follows:

	Endowment Fund
Beginning Balance 1/01/2013	$ 57,610
Total Gains and Losses (Realized/Unrealized) included in the Statement of Activities	2,957
Purchases, Issuances and Settlements	(476)
Ending Balance 12/31/2013	$ 60,091
Unrealized Gain(Loss) from Assets still held at December 31, 2013	$ 2,957

(7) CHARITABLE ENDOWMENT FUND

The Corporation has established the New Detroit Race Relations Fund (the "Endowment Fund") as a component fund of the Community Foundation for Southeast Michigan (the "Foundation"). The Endowment Fund is an asset of the Foundation. The Foundation transfers earnings on the Endowment Fund to the Corporation periodically in the form of grants so long as the Corporation continues to meet its tax-exempt purpose. In accordance with the FASB Codification, the portion of the Endowment Fund that was funded by the Corporation, plus net earnings on that balance, represent a reciprocal transfer and are therefore included in the Corporation's financial statements.

The fair value of the Endowment Fund as of December 31, 2013 and 2012, and the portion included in the Corporation's investments, are as follows:

	2013	2012
Fair Value of the Endowment Fund	$ 94,017	$ 90,134
Portion of Endowment Fund included in the Financial Statements:		
Unrestricted	$ 60,091	$ 57,610

(7) CHARITABLE ENDOWMENT FUND (CONTINUED)

Reconciliations of the fair value of Endowment Fund assets included in the Corporation's financial statements as of December 31, 2013 and for 2012 are as follows:

	Unrestricted	
	2013	2012
Changes in Endowment Fund Assets:		
Net Realized and Unrealized Gains(Losses)	$ 2,957	$ 4,551
Less: Administrative Expenses	(476)	(529)
Net Increase(Decrease) in Endowment Fund Assets	$ 2,481	$ 4,022
Endowment Fund Assets, Beginning of Year	57,610	53,588
Endowment Fund Assets, End of Year	$ 60,091	$ 57,610

(8) FIDUCIARY DEPOSITS

The Corporation acts as a fiduciary for several other non-profit organizations. As such, the Corporation receives contributions from various funding sources on behalf of its client organizations. These funds are held in a fiduciary capacity until they are disbursed. Under the FASB codification, the Corporation reports amounts received and not disbursed on behalf of its clients as Cash and Cash Equivalents and Fiduciary Deposits Payable. Activity in Fiduciary Deposits Payable for the years ended December 31, 2013 and 2012 is as follows:

	2013	2012
Balance, Beginning of Year	$ 596,876	$ 1,448,582
Funds Received as a Fiduciary	1,213,000	1,117,734
Funds Disbursed as a Fiduciary	(1,562,278)	(1,969,440)
Balance, End of Year	$ 247,598	$ 596,876

(9) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available as of December 31, 2013 and 2012 for the following purposes and periods:

	2013	2012
Restricted for program activities:		
Enhancing Economic Opportunity	$ 10,409	$ 119
Impact Institutional Practices	175	-
Improve Educational Opportunity	-	10,075
Community Engagement /Build Public Will	2,829	2,829
Total Restricted for Programs	$ 13,413	$ 13,023
Restricted for use in Future Periods	201,000	216,000
Total Temporarily Restricted Net Assets	$ 214,413	$ 229,023

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

	2013	2012
Purpose Restrictions accomplished for the following programs:		
Enhancing Economic Opportunity	$ 10	$ 49,881
Impact Institutional Practices	9,825	-
Improve Educational Opportunity	10,075	20,000
Total Restricted for Programs	$ 19,910	$ 69,881
Restricted for use in Future Periods	216,000	221,000
Total Released from Restrictions	$ 235,910	$ 290,881

(10) PENSION PLANS

The Corporation has a noncontributory defined benefit pension plan ("pension plan") and a voluntary defined contribution retirement plan under IRC section 401(k) ("savings plan"). Under the savings plan, all employees are eligible to participate upon hire and are eligible for employer discretionary matching contributions after completing six months of service.

In 2012, the Corporation made a decision to suspend their quarterly 2012 pension plan contributions and have filed Form 10 with the Pension Benefit Guaranty Corporation notifying them of that decision. In addition, the Corporation sent notices to all the pension plan participants regarding the suspension of quarterly pension plan contributions.

The pension plan, formerly pooled, was amended and restated effective January 1, 1980. On September 30, 2007, the plan was closed to new employees. FASB Codification requires that employers recognize the overfunded or underfunded status of a pension plan as an asset or liability in the financial statements; and to recognize the changes in that funded status in the year in which the changes occur.

As of December 31, 2013 and 2012, the plan's funded status is as follows:

	2013	2012
Fair Value of Plan Assets	$ 3,118,124	$ 3,396,454
Projected Benefit Obligation	5,425,790	5,862,853
Overfunded/(Underfunded) Status	$ (2,307,666)	$ (2,466,399)
Accumulated Benefit Obligation	$ 5,425,790	$ 5,862,853

The amount of employer contributions and benefit payments:

	2013	2012
Employer Contributions	$ -	$ 13,848
Benefit Payments	283,629	253,731

(10) PENSION PLANS (CONTINUED)

The amounts recognized in the statement of financial position as a liability as of December 31, 2013 and 2012 are $2,307,666 and $ 2,466,399, respectively. It is at least reasonably possible that the Corporation's liability for pension benefits could differ materially in the near term from the amount recorded December 31, 2013.

Future benefit payments are expected to be paid as follows:

2014	$ 323,785
2015	321,148
2016	322,077
2017	320,643
2018	330,354
2019-2023	1,803,830

There will be no contributions made to the pension plan during 2014.

Amounts not yet recognized as components of net periodic benefit costs as of December 31, 2013, are as follows:

Net Loss	$ 1,594,334

Amounts expected to be recognized in net periodic benefit cost during the year ending December 31, 2013 is as follows:

Amortization of Net Loss	$	-

Weighted-average assumptions used in the measurement of the Corporation's benefit obligation as of December 31, 2013 and 2012 are as follows:

	2013	**2012**
Discount Rate	4.47%	3.75%
Expected Return on Plan Assets	3.90%	3.90%
Rate of Compensation Increase	N/A	N/A

(10) PENSION PLANS (CONTINUED)

The overall expected long-term rate of return on assets was determined by using historical rates of return for the plan's investments.

Pension-related costs (credits) other than net periodic pension cost consist of the following for the year ended December 31, 2013:

Actuarial Gains	$ (246,356)
Reclassifications to Net Periodic Benefit Cost of amounts previously recognized but not included in:	
Periodic Benefit Cost	(142,384)
Total	$ (388,740)

(11) LEASES

The Corporation leases office space under a noncancelable operating lease. Total rental expense was $ 222,958 and $ 228,953 in 2013 and 2012, respectively.

Future minimum lease payments are as follow:

	Operating Lease
2014	$ 184,322

(12) COMPARATIVE TOTALS

The financial statements include certain prior-year summarized comparative information in total but not in detail in a statement of functional expenses. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements as of, and for the year ended, December 31, 2012, from which the summarized information was derived.

Certain 2012 financial statement amounts have been reclassified to conform with 2013 financial statement classifications.

(13) ONGOING OPERATIONS

For the year ended December 31, 2013, the Corporation’s Statement of Financial Position reflects an accumulated net deficit of $305,826 due to unfunded pension liabilities. The Corporation has filed a Distress Termination requesting that the Pension Benefit Guaranty Corporation (PBGC) take over its defined benefit pension plan (the "Plan"). If the Plan is accepted by the PBGC, the Corporation's accumulated net deficit will be eliminated. Adjustments have been made to reduce expenses which include salary reductions, staff layoffs, and organizational restructuring. However, due to the ongoing unfunded pension liability, the Corporation still had an accumulated net deficit at year end 2013. The Corporation will continue to look for opportunities to reduce expenses and attract funding sources for general operations.

(14) SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 22, 2014, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.