

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
JUNE 30, 2013 AND 2012**

WORLD ENVIRONMENT CENTER, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
World Environment Center, Inc.
Washington, D.C.

We have audited the accompanying financial statements of the World Environment Center, Inc. (WEC), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses 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 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 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 audits 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.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WEC as of June 30, 2013 and 2012, 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.

Gelman Rosenberg & Freedman

December 17, 2013

WORLD ENVIRONMENT CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2013 AND 2012

ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 6)	\$ 99,810	\$ 225,017
Contributions and other receivables, net of allowance for doubtful accounts of \$12,000 and \$0 in 2013 and 2012, respectively	245,841	260,708
Prepaid expenses and other assets	<u>39,641</u>	<u>48,103</u>
Total current assets	<u>385,292</u>	<u>533,828</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	9,088	9,088
Computers and equipment	35,037	35,037
Software and website	<u>34,232</u>	<u>34,232</u>
	78,357	78,357
Less: Accumulated depreciation and amortization	<u>(62,544)</u>	<u>(54,139)</u>
Net property and equipment	<u>15,813</u>	<u>24,218</u>
NONCURRENT ASSETS		
Cash and cash equivalents - noncurrent (Note 6)	4,030	28,176
Investments - noncurrent (Notes 2, 6 and 7)	<u>649,106</u>	<u>578,701</u>
Total noncurrent assets	<u>653,136</u>	<u>606,877</u>
TOTAL ASSETS	<u>\$ 1,054,241</u>	<u>\$ 1,164,923</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 132,148	\$ 51,978
Deferred dues	<u>214,000</u>	<u>216,000</u>
Total current liabilities	<u>346,148</u>	<u>267,978</u>

NET ASSETS

Unrestricted:		
Undesignated	35,119	261,856
Board designated - Endowment Fund (Note 6)	500,278	472,494
Board designated - Reserve Fund (Note 6)	<u>172,696</u>	<u>162,595</u>
Total net assets	<u>708,093</u>	<u>896,945</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,054,241</u>	<u>\$ 1,164,923</u>

See accompanying notes to financial statements.

WORLD ENVIRONMENT CENTER, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>Unrestricted</u>	
	<u>2013</u>	<u>2012</u>
SUPPORT AND REVENUE		
Member contributions	\$ 402,000	\$ 435,000
Other contributions	5,944	3,000
U.S. Government grants and contracts (Note 4)	665,942	498,783
Interest and investment income (Note 2)	40,956	38,927
Special event	198,250	209,000
Program service fees	<u>131,717</u>	<u>258,750</u>
Total support and revenue	<u>1,444,809</u>	<u>1,443,460</u>
EXPENSES		
Program Services:		
Member Initiatives	237,272	305,116
Capacity Building	<u>673,909</u>	<u>573,716</u>
Total program services	<u>911,181</u>	<u>878,832</u>
Supporting Services:		
Management and General	493,179	520,942
Fundraising	<u>229,301</u>	<u>239,390</u>
Total supporting services	<u>722,480</u>	<u>760,332</u>
Total expenses	<u>1,633,661</u>	<u>1,639,164</u>
Changes in net assets	(188,852)	(195,704)
Net assets at beginning of year	<u>896,945</u>	<u>1,092,649</u>
NET ASSETS AT END OF YEAR	<u>\$ 708,093</u>	<u>\$ 896,945</u>

WORLD ENVIRONMENT CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	Program Services			Supporting Services			Total Expenses
	Member Initiatives	Capacity Building	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and related benefits (Note 5)	\$ 100,453	\$ 89,008	\$ 189,461	\$ 296,959	\$ 53,139	\$ 350,098	\$ 539,559
Printing and production	1	220	221	4,743	713	5,456	5,677
Occupancy (Note 3)	15,775	43,852	59,627	44,362	6,068	50,430	110,057
Accounting	3,376	9,377	12,753	9,486	1,298	10,784	23,537
Insurance	-	-	-	5,939	-	5,939	5,939
Depreciation and amortization	-	-	-	8,405	-	8,405	8,405
Telephone	2,989	9,285	12,274	4,921	924	5,845	18,119
Travel and entertainment	28,651	10,284	38,935	1,857	13,268	15,125	54,060
Consulting fees	4,327	9,252	13,579	8,719	2,300	11,019	24,598
Postage and delivery	18	165	183	490	184	674	857
Repairs and maintenance	-	-	-	1,955	-	1,955	1,955
Supplies	1,110	1,397	2,507	(354)	282	(72)	2,435
Subscriptions and publications	1,922	-	1,922	931	-	931	2,853
Meetings and conventions	178	3,485	3,663	201	27	228	3,891
Bank fees	777	2,088	2,865	1,707	557	2,264	5,129
Equipment rental and maintenance	-	1,486	1,486	-	-	-	1,486
Subcontracts	-	376,998	376,998	18,663	-	18,663	395,661
Gold Medal Award	-	-	-	-	138,026	138,026	138,026
Program facilities and meals	37,712	1,358	39,070	2,042	-	2,042	41,112
Local country coordinator fees	39,983	115,654	155,637	71,253	12,515	83,768	239,405
Other	-	-	-	10,900	-	10,900	10,900
TOTAL	\$ 237,272	\$ 673,909	\$ 911,181	\$ 493,179	\$ 229,301	\$ 722,480	\$ 1,633,661

See accompanying notes to financial statements.

WORLD ENVIRONMENT CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

	Program Services			Supporting Services			Total Expenses
	Member Initiatives	Capacity Building	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and related benefits (Note 5)	\$ 128,690	\$ 89,559	\$ 218,249	\$ 261,594	\$ 37,008	\$ 298,602	\$ 516,851
Printing and production	634	482	1,116	947	7,234	8,181	9,297
Occupancy (Note 3)	14,629	5,738	20,367	64,926	5,033	69,959	90,326
Accounting	3,710	1,455	5,165	13,559	1,276	14,835	20,000
Insurance	1,204	472	1,676	4,399	414	4,813	6,489
Depreciation and amortization	-	-	-	9,111	-	9,111	9,111
Telephone	2,840	3,090	5,930	11,972	825	12,797	18,727
Travel and entertainment	51,555	28,903	80,458	3,466	33,721	37,187	117,645
Consulting fees	2,501	1,332	3,833	21,315	1,228	22,543	26,376
Postage and delivery	-	14	14	492	59	551	565
Supplies	372	265	637	3,594	169	3,763	4,400
Subscriptions and publications	8	-	8	1,229	-	1,229	1,237
Meetings and conventions	1,950	106	2,056	11	-	11	2,067
Bank fees	767	301	1,068	2,962	294	3,256	4,324
Equipment rental and maintenance	-	1,895	1,895	-	-	-	1,895
Subcontracts	-	331,264	331,264	22,600	-	22,600	353,864
Gold Medal Award	-	-	-	-	134,569	134,569	134,569
Program facilities and meals	56,619	1,907	58,526	314	548	862	59,388
Local country coordinator fees	38,796	95,437	134,233	81,803	9,413	91,216	225,449
Other	841	11,496	12,337	16,648	7,599	24,247	36,584
TOTAL	\$ 305,116	\$ 573,716	\$ 878,832	\$ 520,942	\$ 239,390	\$ 760,332	\$ 1,639,164

See accompanying notes to financial statements.

WORLD ENVIRONMENT CENTER, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (188,852)	\$ (195,704)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation and amortization	8,405	9,111
Realized (gain) loss on sales of investments	(21,611)	432
Unrealized loss (gain) on investments	19,130	(2,102)
Allowance for doubtful accounts	12,000	-
(Increase) decrease in:		
Contributions and other receivables	2,867	(5,133)
Prepaid expenses and other assets	8,462	16,412
Increase (decrease) in:		
Accounts payable and accrued liabilities	80,170	(36,727)
Deferred dues	<u>(2,000)</u>	<u>6,000</u>
Net cash used by operating activities	<u>(81,429)</u>	<u>(207,711)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	-	(5,868)
Purchase of computers and equipment	-	(8,665)
Purchase of investments	(638,297)	(259,301)
Proceeds from sales of investments	<u>570,373</u>	<u>211,355</u>
Net cash used by investing activities	<u>(67,924)</u>	<u>(62,479)</u>
Net decrease in cash and cash equivalents	(149,353)	(270,190)
Cash and cash equivalents at beginning of year	<u>253,193</u>	<u>523,383</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (INCLUDES \$4,030 AND \$28,176 OF NONCURRENT CASH EQUIVALENTS AS OF JUNE 30, 2013 AND 2012, RESPECTIVELY)	\$ <u>103,840</u>	\$ <u>253,193</u>

WORLD ENVIRONMENT CENTER, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The World Environment Center, Inc. (WEC), founded in 1974, is an independent, not-for-profit, non-advocacy organization. Working with government, the private sector, international organizations, non-governmental organizations and academia, WEC promotes sustainable development by encouraging environmental leadership, improving health and safety practices worldwide, and fostering the efficient use of natural resources to protect the global environment.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

Cash and cash equivalents -

WEC considers all cash and other highly liquid investments with initial maturities of one year or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year WEC maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Contributions and other receivables -

Contributions and other receivables consist primarily of member dues, Gold Medal Award (GMA) payments and amounts due for contract services. All receivables are anticipated to be collected within one year. Management periodically reviews each receivable balance for collectability based on its knowledge of the customer or grantor. All receivables are stated at the amount management expects to collect from outstanding balances. No allowance for doubtful accounts has been recorded as management anticipates substantially all balances to be collectible.

Property and equipment -

Property and equipment with an acquisition value in excess of \$1,000 are stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five years. The cost of maintenance and repairs is recorded as expenses are incurred.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income in the Statements of Activities and Changes in Net Assets.

Deferred dues -

Amounts collected as dues from member companies are recognized as revenues in the period earned. Accordingly, amounts received but not yet earned are presented as deferred dues in the accompanying Statements of Financial Position.

WORLD ENVIRONMENT CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Income taxes -

WEC is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. WEC is not a private foundation.

Uncertain tax positions -

For the years ended June 30, 2013 and 2012, WEC has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of WEC and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of WEC and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. At June 30, 2013 and 2012, there were no temporarily restricted net assets.

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

WEC receives funding under grants and contracts from the U.S. Government for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

WORLD ENVIRONMENT CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Allocation of expenses -

There are four functional categories of WEC's expenses: 1) Member Initiatives, 2) Capacity Building, 3) Management and General, and 4) Fundraising. Employee staff time is tracked according to the programs and projects that are incorporated into these categories:

Member Initiatives: This functional area incorporates the services that WEC provides to all members in general, including international membership roundtables and sustainability forums. These services provide senior level HSE, CSR and sustainable development executives in multinational corporations with an exchange of information, expertise, and a worldwide network of contacts to promote the shared mission of WEC and member companies.

Capacity Building: This functional area contributes to sustainable development by providing cooperative projects, training and technology solutions that enhance the ability of industry, government, and environmental organizations to protect and improve the environment and communities within which they are based. These programs are often funded through government grants and/or WEC's corporate members, and constitute the largest source of revenue for the organization. This category includes all WEC supply chain projects.

Management and General: This functional area includes activities related to the communication of WEC's brand, web site enhancements and updates, press releases, reports of results to membership, planning activities with members and WEC's key external stakeholders, preparation of Board of Directors materials and other aspects of WEC governance, financial management, and travel related to these activities.

Fundraising: This category incorporates WEC activities and expenses that are conducted with the express purpose of raising revenue for WEC, including, but not limited to, membership development, and pursuing new business and grant opportunities. Fundraising also houses the annual Gold Medal Awards Dinner.

Use of estimates -

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Investment risks and uncertainties -

WEC invests in various investment securities. Investment securities are exposed to various risks such as interest rates, 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 changes could materially affect the amounts reported in the accompanying financial statements.

Fair value measurement -

WEC adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements.

WORLD ENVIRONMENT CENTER, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Fair value measurement (continued) -

WEC accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

2. INVESTMENTS

Investments consisted of the following at June 30, 2013 and 2012:

	<u>2013</u>		<u>2012</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Noncurrent Corporate and Municipal Bonds	<u>\$ 673,477</u>	<u>\$ 649,106</u>	<u>\$ 583,942</u>	<u>\$ 578,701</u>

Included in interest and investment income are the following:

	<u>2013</u>	<u>2012</u>
Interest and dividends	\$ 38,475	\$ 37,257
Realized gain (loss) on sales of investments	21,611	(432)
Unrealized (loss) gain on investments	<u>(19,130)</u>	<u>2,102</u>
TOTAL INTEREST AND INVESTMENT INCOME	<u>\$ 40,956</u>	<u>\$ 38,927</u>

3. LEASE COMMITMENT

WEC leases its principal office space under an agreement which expired on June 30, 2013. WEC signed an extension of the lease and it now expires on July 31, 2018. Base rent is \$6,524 and increases by 2.75% each year. WEC also entered into a five-year lease agreement (through its local representative) for office space in Munich, Germany. Rental payments are €2,119 per month, commencing March 1, 2012 and ending on February 28, 2017. This lease will become the obligation of WEC Europe (a separate legal entity) once WEC Europe is granted non-government organization status. Future minimum payments under the leases are as follows:

<u>Year Ending June 30,</u>	
2014	\$ 104,854
2015	113,351
2016	115,558
2017	106,796
2018	87,067
Thereafter	<u>7,272</u>
	<u>\$ 534,898</u>

Occupancy expense for the years ended June 30, 2013 and 2012 totaled \$110,057 and \$90,326, respectively.

WORLD ENVIRONMENT CENTER, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012**

4. CONTINGENCY

WEC receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of OMB Circular A-133. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits under the provisions of OMB Circular A-133 have been completed for all required fiscal years through 2013. An audit under the provisions of OMB Circular A-133 was not required for fiscal year 2012. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

5. RETIREMENT PLAN

All employees of WEC are eligible for participation in a defined contribution plan, to which WEC contributes a fixed percentage of salary, based upon the individual's length of service. Contributions are forwarded to the Teachers Insurance Annuity Association-Common Retirement Equity Fund ("TIAA-CREF"), an independent entity that issues individual retirement annuity contracts to each participant. Contributions by WEC totaled \$39,623 and \$36,448 during the years ended June 30, 2013 and 2012, respectively.

All employees are also eligible to participate in a salary deferral 403(b) plan.

6. BOARD DESIGNATED ENDOWMENT AND RESERVE FUNDS

The Board Designated Endowment and Reserve Funds were established as operating reserve funds to provide financial stability and to be used as contingency funds for unanticipated events as authorized by the Board of Directors. In 2003, the Board of Directors authorized transfers totaling \$140,000 from the Board Designated Reserve Fund to the General Fund. The Board intends to return the \$140,000 to the Reserve Fund and will determine the amount to be replenished on an annual basis.

At June 30, 2013 and 2012, the balance in the "Endowment Fund" aggregated \$500,278 (including \$19,683 of current cash, \$0 of noncurrent cash and \$480,595 of noncurrent investments) and \$472,494 (including \$21,574 of current cash, \$24,151 of noncurrent cash and \$426,769 of noncurrent investments), respectively.

At June 30, 2013 and 2012, the balance in the "Reserve Fund" aggregated \$172,696 (including \$155 of current cash, \$4,030 of noncurrent cash and \$168,511 of noncurrent investments) and \$162,595 (including \$6,638 of current cash, \$4,025 of noncurrent cash and \$151,932 of noncurrent investments), respectively.

7. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, WEC has categorized its financial instruments, based on the priority of 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 or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

WORLD ENVIRONMENT CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

7. FAIR VALUE MEASUREMENT (Continued)

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market WEC has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2013 and 2012.

- *Corporate and Municipal Bonds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes, by level within the fair value hierarchy, WEC's investments as of June 30, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total June 30, 2013</u>
Asset Class - Investments:				
Noncurrent Corporate and Municipal Bonds	\$ <u>-</u>	\$ <u>649,106</u>	\$ <u>-</u>	\$ <u>649,106</u>

The table below summarizes, by level within the fair value hierarchy, WEC's investments as of June 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total June 30, 2012</u>
Asset Class - Investments:				
Noncurrent Corporate and Municipal Bonds	\$ <u>-</u>	\$ <u>578,701</u>	\$ <u>-</u>	\$ <u>578,701</u>

8. SUBSEQUENT EVENTS

In preparing these financial statements, WEC has evaluated events and transactions for potential recognition or disclosure through December 17, 2013, the date the financial statements were issued.