

# READ WORKS

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Audited Financial Statements

August 31, 2014 and 2013



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Readworks, Inc.

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Readworks, Inc. (the "Organization"), which comprise the statement of financial position as of August 31, 2014 and August 31, 2013, and the related 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 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.

### ***Auditors' 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 auditors' 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 organization'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 organization'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.

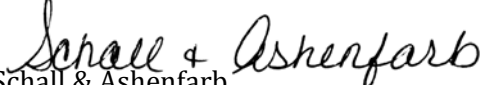
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Readworks, Inc. as of August 31, 2014 and August 31, 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.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 13-14 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

  
Schall & Ashenfarb  
Certified Public Accountants, LLC

April 2, 2015

**READWORKS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF AUGUST 31, 2014 AND 2013**

	<u>8/31/14</u>	<u>8/31/13</u>
<b>Assets</b>		
Cash and cash equivalents	\$818,447	\$960,290
Investments (Note 3)	339,855	232,221
Pledges receivable (Note 4)	220,250	370,000
Accounts receivable	0	850
Prepaid expenses	52,480	6,839
Security deposits	8,800	8,800
Fixed assets, net (Note 5)	<u>14,001</u>	<u>6,952</u>
 Total assets	 <u><u>\$1,453,833</u></u>	 <u><u>\$1,585,952</u></u>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	<u>\$94,776</u>	<u>\$21,211</u>
Total liabilities	<u>94,776</u>	<u>21,211</u>
 <b>Commitments and contingencies (Note 9)</b>		
Net assets:		
Unrestricted (Note 6)	638,511	987,520
Temporarily restricted (Note 7)	520,546	377,221
Permanently restricted (Note 8)	<u>200,000</u>	<u>200,000</u>
Total net assets	<u>1,359,057</u>	<u>1,564,741</u>
 Total liabilities and net assets	 <u><u>\$1,453,833</u></u>	 <u><u>\$1,585,952</u></u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**READWORKS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 8/31/14</u>	<u>Total 8/31/13</u>
Public support and revenue:					
Contributions	\$1,087,452	\$298,989		\$1,386,441	\$1,562,204
In-kind legal	32,846			32,846	39,600
Investment income (Note 3)	2,842	5,336		8,178	2,778
Miscellaneous income	5,011			5,011	2,728
Net assets released from restrictions	161,000	(161,000)		0	0
<b>Total public support and revenue</b>	<b>1,289,151</b>	<b>143,325</b>	<b>0</b>	<b>1,432,476</b>	<b>1,607,310</b>
Expenses:					
Program services:					
Curriculum	621,782			621,782	609,178
Teacher training	80,552			80,552	44,507
Online delivery, assessment and evaluation	371,239			371,239	250,848
Client development	362,912			362,912	150,624
<b>Total program services</b>	<b>1,436,485</b>	<b>0</b>	<b>0</b>	<b>1,436,485</b>	<b>1,055,157</b>
Supporting services:					
Management and general	122,996			122,996	150,240
Fundraising	78,679			78,679	78,526
<b>Total supporting services</b>	<b>201,675</b>	<b>0</b>	<b>0</b>	<b>201,675</b>	<b>228,766</b>
<b>Total expenses</b>	<b>1,638,160</b>	<b>0</b>	<b>0</b>	<b>1,638,160</b>	<b>1,283,923</b>
Change in net assets	(349,009)	143,325	0	(205,684)	323,387
Net assets - beginning of year	987,520	377,221	200,000	1,564,741	1,241,354
Net assets - end of year	<u>\$638,511</u>	<u>\$520,546</u>	<u>\$200,000</u>	<u>\$1,359,057</u>	<u>\$1,564,741</u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**READWORKS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenue:				
Contributions	\$1,217,204	\$345,000		\$1,562,204
In-kind legal	39,600			39,600
Investment income (Note 3)	1,002	1,776		2,778
Miscellaneous income	2,728			2,728
Net assets released from restrictions	150,000	(150,000)		0
<b>Total public support and revenue</b>	<b>1,410,534</b>	<b>196,776</b>	<b>0</b>	<b>1,607,310</b>
Expenses:				
Program services:				
Curriculum	609,178			609,178
Teacher training	44,507			44,507
Online delivery, assessment and evaluation	250,848			250,848
Client development	150,624			150,624
<b>Total program services</b>	<b>1,055,157</b>	<b>0</b>	<b>0</b>	<b>1,055,157</b>
Supporting services:				
Management and general	150,240			150,240
Fundraising	78,526			78,526
<b>Total supporting services</b>	<b>228,766</b>	<b>0</b>	<b>0</b>	<b>228,766</b>
<b>Total expenses</b>	<b>1,283,923</b>	<b>0</b>	<b>0</b>	<b>1,283,923</b>
Change in net assets	126,611	196,776	0	323,387
Net assets - beginning of year	860,909	180,445	200,000	1,241,354
Net assets - end of year	\$987,520	\$377,221	\$200,000	\$1,564,741

*The attached notes and auditors' report are an integral part of these financial statements.*

**READWORKS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013**

	<u>8/31/14</u>	<u>8/31/13</u>
Cash flows from operating activities:		
Change in net assets	(\$205,684)	\$323,387
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation	3,127	6,062
Realized and unrealized (gains)/losses on investments	(1,814)	4,122
Donated investments	(221,216)	(120,308)
(Increase)/decrease in assets:		
Pledges receivable	149,750	(106,463)
Accounts receivable	850	5,150
Prepaid expenses	(45,641)	4,616
Security deposits	0	(400)
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	73,565	(74,662)
Total adjustments	<u>(41,379)</u>	<u>(281,883)</u>
Net cash flows (used by)/provided by operating activities	<u>(247,063)</u>	<u>41,504</u>
Cash flows from investing activities:		
Purchases of fixed assets	(10,176)	(2,724)
Purchases (dividends re-invested)	(105,820)	(5,898)
Sales of donated investments	221,216	120,308
Net cash flows provided by investing activities	<u>105,220</u>	<u>111,686</u>
Net (decrease)/increase in cash and cash equivalents	(141,843)	153,190
Cash and cash equivalents - beginning of year	<u>960,290</u>	<u>807,100</u>
Cash and cash equivalents - end of year	<u><u>\$818,447</u></u>	<u><u>\$960,290</u></u>

No interest or taxes were paid.

*The attached notes and auditors' report are an integral part of these financial statements.*

**READWORKS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2014 AND 2013**

**Note 1 - Nature of Entity**

Readworks, Inc. (the "Organization") was formally introduced in November 2010. The mission of the Organization is to enable teachers to improve their effectiveness and the academic achievement of their students in reading comprehension, solving the reading comprehension crisis and closing the achievement gap through research-based instructional practices and curricula.

There is a crisis in reading comprehension. Only 17% of low-income 4th grade students in the U.S. are proficient readers. Despite the existing research-proven knowledge of how to teach reading comprehension, the majority of elementary school teachers in the United States have not been trained to teach reading comprehension effectively. Additionally, many commonly used reading curricula are ineffective.

Therefore, the Organization focuses on the teacher – the single most important factor in boosting student achievement – by providing research-based reading comprehension curriculum and teacher training. The Organization is provided directly to K-6 educators, online, at no cost to teachers or their schools, to be shared broadly and freely. The Organization also engages in targeted in-person training and research and development in a limited number of schools.

The primary sources of revenue for the Organization are contributions and in-person teacher training revenue.

The Organization is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

The Organization was organized as a New York corporation on May 1, 1990 under the name "The Family School, Inc". The name was subsequently changed to "The Friends of the Family Academy, Inc". On December 4, 2003, the Organization changed its name to "Urban Education Exchange, Inc." In May 2012, the Organization officially changed its name to "Readworks, Inc."

**Note 2 - Summary of Significant Accounting Policies**

a. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than when received or paid.

b. Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets:

- *Unrestricted* – represents all activity without donor imposed restrictions.



- *Temporarily restricted* – accounts for activity based on specific donor restrictions that are expected to be satisfied by passage of time or performance of activities.
- *Permanently restricted* – accounts for activity restricted by donors that must remain intact in perpetuity.

c. Revenue Recognition

Contributions are recorded upon the receipt of cash or at the time a pledge is considered unconditional. Contributions received with specific donor restrictions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. However, contributions received with restrictions that expire within the same reporting period are reported as unrestricted.

Service delivery revenue is recognized as income when services are performed. Service fees earned that have not been collected at year-end are recognized as accounts receivable. All receivables outstanding at year-end are due within one year.

d. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

e. Concentration of Credit

Financial instruments that potentially subject the Organization to concentration of credit risk consist of cash, money market accounts and investment securities, which are placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. A significant portion of the funds is not insured by FDIC or related entity; however, the Organization has not experienced any losses from these accounts.

f. Investments

Securities are recorded at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. “exit price”) in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reflected in the statement of activities.

g. Pledges and Accounts Receivable

Pledges that are due in more than one year are recorded at fair value, using a risk adjusted discount rate of return, when deemed material. Pledges due within one year are reported at their net realizable value. Conditional pledges are recognized when the conditions on which they depend are substantially met. Based on a review of specific accounts and recent history, no allowance for uncollectible amounts has been deemed necessary.

h. Fixed Assets

Fixed assets to which the Organization retains title to and capital items purchased which benefit future periods are capitalized at cost, or if donated, at the estimated fair value at the time of donation.

Fixed assets consist of furniture, equipment, computers and computer software, which are carried at cost and depreciated over their estimated useful lives using the straight-line method.

i. In-Kind Contributions

Organizations are required to recognize contributions of services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contributions. Donated legal services have been recognized based on fair value.

j. Expense Allocation

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

k. Management Estimates

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

l. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending August 31, 2011 and later are subject to examination by applicable taxing authorities.

m. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through April 2, 2015, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

**Note 3 - Investments**

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data.

All investments in mutual funds were measured using Level 1 inputs, which are the quoted prices in active markets for identical assets.

Investment income consists of the following:

	<u>8/31/14</u>	<u>8/31/13</u>
Interest and dividend income – investments	\$5,821	\$5,898
Interest income – money market	543	1,002
Unrealized gains/(losses) on investments	<u>1,814</u>	<u>(4,122)</u>
Total	<u>\$8,178</u>	<u>\$2,778</u>

**Note 4 - Pledges Receivable**

As of August 31, 2014 and 2013, approximately \$198,000 (90%) and \$295,000 (80%), respectively, was outstanding from one donor.

Grants receivable are due as follows:

Year ended: August 31, 2015	\$122,250
August 31, 2016	<u>100,000</u>
	222,250
Less: risk adjusted discount to fair value	<u>(2,000)</u>
Total	<u>\$220,250</u>

The Organization has received conditional pledges of \$100,000 that are expected to be collected next year and recognized as the conditions are met.

**Note 5 - Fixed Assets**

Fixed assets consist of the following:

	<u>8/31/14</u>	<u>8/31/13</u>	Estimated Useful Life
Computers and software	\$52,216	\$42,040	3-5 years
Less: accumulated depreciation	<u>(38,215)</u>	<u>(35,088)</u>	
Fixed assets	<u>\$14,001</u>	<u>\$6,952</u>	

**Note 6 - Unrestricted Net Assets**

Unrestricted net assets are composed of the following:

	<u>8/31/14</u>	<u>8/31/13</u>
Net investment in fixed assets	\$14,001	\$6,952
Undesignated funds	<u>624,510</u>	<u>980,568</u>
Total	<u>\$638,511</u>	<u>\$987,520</u>

**Note 7 - Temporarily Restricted Net Assets**

Temporarily restricted net assets can be summarized as follows:

	<u>9/1/13</u>	<u>New</u>	<u>Released</u>	<u>8/31/14</u>
Time restricted:				
General	\$295,000	\$3,000	(\$100,000)	\$198,000
Endowment	<u>32,221</u>	<u>5,336</u>	<u>0</u>	<u>37,557</u>
Total time restricted	327,221	8,336	(100,000)	235,557
Programs	<u>50,000</u>	<u>295,989</u>	<u>(61,000)</u>	<u>284,989</u>
Total	<u>\$377,221</u>	<u>\$304,325</u>	<u>(\$161,000)</u>	<u>\$520,546</u>
	<u>9/1/12</u>	<u>New</u>	<u>Released</u>	<u>8/31/13</u>
Time restricted:				
General	\$100,000	\$295,000	(\$100,000)	\$295,000
Endowment	<u>30,445</u>	<u>1,776</u>	<u>0</u>	<u>32,221</u>
Total time restricted	130,445	296,776	(100,000)	327,221
Programs	<u>50,000</u>	<u>50,000</u>	<u>(50,000)</u>	<u>50,000</u>
Total	<u>\$180,445</u>	<u>\$346,776</u>	<u>(\$150,000)</u>	<u>\$377,221</u>

**Note 8 - Permanently Restricted Net Assets**

The Organization's endowment includes one permanently restricted individual fund to be held indefinitely. The income from this fund can be used to support the Organization's general activities.

*Interpretation of Relevant Law*

On September 17, 2010, New York State adopted New York Prudent Management of Institutional Funds Act ("NYPMIFA"). The Board of Directors has interpreted NYPMIFA as requiring certain amounts to be retained permanently. Absent explicit donor stipulations to the contrary, the Organization will preserve the fair value of the original gift as of the gift date of all donor-restricted endowment funds. However, under certain circumstances, the Board of Directors has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA.

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.

Absent any specific donor-stipulations, when endowment funds have earnings in excess of amounts that need to be retained permanently, these excess amounts are classified as temporarily restricted net assets until appropriated for expenditure by the Organization's governing board.

### *Spending Policies*

There is no spending policy and the Organization is currently accumulating interest, dividends and other market gains for future appropriation, if deemed prudent and necessary.

Changes in endowment net assets can be summarized as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$0	\$32,221	\$200,000	\$232,221
Transfers in	100,000	0	0	100,000
Interest and dividend income	1,752	4,069	0	5,821
Unrealized gains	<u>546</u>	<u>1,267</u>	<u>0</u>	<u>1,813</u>
Endowment net assets, end of year	<u>\$102,298</u>	<u>\$37,557</u>	<u>\$200,000</u>	<u>\$339,855</u>

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$0	\$30,445	\$200,000	\$230,445
Interest and dividend income	0	5,898	0	5,898
Unrealized gains	<u>0</u>	<u>(4,122)</u>	<u>0</u>	<u>(4,122)</u>
Endowment net assets, end of year	<u>\$0</u>	<u>\$32,221</u>	<u>\$200,000</u>	<u>\$232,221</u>

### *Funds with Deficiencies*

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of August 31, 2014 or 2013.

### **Note 9 - Commitments and Contingencies**

The Organization's facility is leased under a non-cancelable operating lease which expires on April 30, 2015.

Future minimum rental requirements for the year ended August 31, 2015 is \$35,200.

In the normal course of business, the Organization could be subject to claims, lawsuits and other matters that are subject to uncertain future events. Management has not been advised by legal counsel that there are any matters that are probable of future payouts and no reserves have been established.

### **Note 10 - Retirement**

The Organization has a pension plan under IRS Section 403(b). Eligible employees may contribute pre-tax amounts of their salary up to IRS maximum limits. No employer contributions are required to be made.

**READWORKS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013**

	Program Services				Supporting Services					
	Curriculum	Teacher Training	Online Delivery, Assessment & Evaluation	Client Development	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 8/31/14	Total 8/31/13
Salaries	\$298,888	\$53,166	\$99,560	\$222,414	\$674,028	\$39,409	\$37,771	\$77,180	\$751,208	\$523,002
Payroll taxes and benefits	44,262	7,873	14,744	32,937	99,816	5,836	5,593	11,429	111,245	86,143
	<u>343,150</u>	<u>61,039</u>	<u>114,304</u>	<u>255,351</u>	<u>773,844</u>	<u>45,245</u>	<u>43,364</u>	<u>88,609</u>	<u>862,453</u>	<u>609,145</u>
Professional fees and services	230,299	14,007	238,057	69,041	551,404	28,570	28,311	56,881	608,285	504,144
Occupancy	22,333	3,973	7,439	16,619	50,364	2,944	2,822	5,766	56,130	54,561
Curriculum materials	16,193				16,193			0	16,193	18,535
Insurance	4,876	867	1,624	3,629	10,996	644	616	1,260	12,256	12,456
Miscellaneous	1,145	88	922	1,067	3,222	2,047	255	2,302	5,524	13,717
Communications and IT	1,492	265	497	1,111	3,365	197	189	386	3,751	3,804
Printing				3,375	3,375	241	1,077	1,318	4,693	3,391
Office supplies and equipment	1,725	280	909	1,299	4,213	2,753	281	3,034	7,247	5,551
Conferences	11		255	1,564	1,830	280	50	330	2,160	2,569
Postage and shipping	31			3	34	828	928	1,756	1,790	2,420
Travel	527	33	7,232	9,853	17,645	264	786	1,050	18,695	5,956
Bank charges					0	3,010		3,010	3,010	2,012
Total expenses before depreciation and in-kind	<u>621,782</u>	<u>80,552</u>	<u>371,239</u>	<u>362,912</u>	<u>1,436,485</u>	<u>87,023</u>	<u>78,679</u>	<u>165,702</u>	<u>1,602,187</u>	<u>1,238,261</u>
Depreciation					0	3,127		3,127	3,127	6,062
In-kind legal					0	32,846		32,846	32,846	39,600
Total expenses	<u>\$621,782</u>	<u>\$80,552</u>	<u>\$371,239</u>	<u>\$362,912</u>	<u>\$1,436,485</u>	<u>\$122,996</u>	<u>\$78,679</u>	<u>\$201,675</u>	<u>\$1,638,160</u>	<u>\$1,283,923</u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**READWORKS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

	Program Services				Supporting Services				Total 8/31/13
	Curriculum	Teacher Training	Online Delivery, Assessment & Evaluation	Client Development	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$276,862	\$23,217	\$80,825	\$65,039	\$445,943	\$47,545	\$29,514	\$77,059	\$523,002
Payroll taxes and benefits	45,005	3,774	13,138	10,572	72,489	8,855	4,799	13,654	86,143
	<u>321,867</u>	<u>26,991</u>	<u>93,963</u>	<u>75,611</u>	<u>518,432</u>	<u>56,400</u>	<u>34,313</u>	<u>90,713</u>	<u>609,145</u>
Professional fees and services	227,337	7,829	145,655	58,517	439,338	29,786	35,020	64,806	504,144
Occupancy	28,883	2,422	8,432	6,785	46,522	4,960	3,079	8,039	54,561
Curriculum materials	18,345			109	18,454	81		81	18,535
Insurance	6,594	553	1,925	1,549	10,621	1,132	703	1,835	12,456
Miscellaneous	590	6,066	39	1,034	7,729	2,249	3,739	5,988	13,717
Communications and IT	2,014	169	588	473	3,244	345	215	560	3,804
Printing				633	633	2,114	644	2,758	3,391
Office supplies and equipment	2,164				2,164	3,311	76	3,387	5,551
Conferences	1,090	100	64	945	2,199	300	70	370	2,569
Postage and shipping	157			278	435	1,832	153	1,985	2,420
Travel	137	377	182	4,690	5,386	137	433	570	5,956
Bank charges					0	1,931	81	2,012	2,012
Total expenses before depreciation and in-kind	<u>609,178</u>	<u>44,507</u>	<u>250,848</u>	<u>150,624</u>	<u>1,055,157</u>	<u>104,578</u>	<u>78,526</u>	<u>183,104</u>	<u>1,238,261</u>
Depreciation					0	6,062		6,062	6,062
In-kind legal					0	39,600		39,600	39,600
Total expenses	<u>\$609,178</u>	<u>\$44,507</u>	<u>\$250,848</u>	<u>\$150,624</u>	<u>\$1,055,157</u>	<u>\$150,240</u>	<u>\$78,526</u>	<u>\$228,766</u>	<u>\$1,283,923</u>

*The attached notes and auditors' report are an integral part of these financial statements.*