

## **Cincinnati Preschool Promise, LLC**

Financial Statements

June 30, 2020 and 2019

(with Independent Auditors' Report)



**CLARK SCHAEFER HACKETT**  
CPAS & ADVISORS

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Managers  
Cincinnati Preschool Promise, LLC:

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

We have audited the accompanying financial statements of Cincinnati Preschool Promise, LLC (a not-for-profit limited liability company), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, 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.

### **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 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 Cincinnati Preschool Promise, LLC as of June 30, 2020 and 2019 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.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Reports of Cincinnati Public Schools Levy Funds presented on pages 14-15 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 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 statements as a whole.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
January 19, 2021

Cincinnati Preschool Promise, LLC  
 Statements of Financial Position  
 June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets:		
Cash	\$ 2,408,046	3,426,375
Accounts receivable	18,910	-
Prepaid expenses	27,037	8,123
Property and equipment, net	<u>38,150</u>	<u>76,300</u>
 Total assets	 \$ <u>2,492,143</u>	 <u>3,510,798</u>
 Liabilities and net assets:		
Liabilities:		
Accounts payable	\$ 495,874	401,040
Accrued expenses	27,943	13,395
Refundable advances	<u>1,725,520</u>	<u>2,863,022</u>
	 2,249,337	 3,277,457
Net assets without donor restrictions	<u>242,806</u>	<u>233,341</u>
 Total liabilities and net assets	 \$ <u>2,492,143</u>	 <u>3,510,798</u>

See accompanying notes to the financial statements.

Cincinnati Preschool Promise, LLC  
 Statements of Activities  
 Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues:		
Contributions	\$ 31,818	8,923
Shared property taxes revenue	7,177,272	6,023,025
Donated goods and services	223,612	205,208
Other	<u>15,797</u>	<u>-</u>
Total revenues	<u>7,448,499</u>	<u>6,237,156</u>
Expenses:		
Program services	6,317,277	5,349,237
Management and general	<u>1,121,757</u>	<u>917,146</u>
Total expenses	<u>7,439,034</u>	<u>6,266,383</u>
Change in net assets	<u>9,465</u>	<u>(29,227)</u>
Net assets without donor restrictions at beginning of year	<u>233,341</u>	<u>262,568</u>
Net assets without donor restrictions at end of year	\$ <u><u>242,806</u></u>	<u><u>233,341</u></u>

See accompanying notes to the financial statements.

Cincinnati Preschool Promise, LLC  
Statement of Functional Expenses  
Year Ended June 30, 2020

	<u>Tuition Assistance</u>	<u>Quality Improvement</u>	<u>Cost of Quality</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Total</u>
Tuition payments	\$ 3,785,152	-	-	3,785,152	-	3,785,152
Classroom supplies, education tools and related products	-	1,249,763	-	1,249,763	-	1,249,763
Coaching, professional development and related services	-	456,364	-	456,364	-	456,364
Teacher grants	-	-	97,519	97,519	-	97,519
Salaries	92,289	116,501	30,776	239,566	329,921	569,487
Employee benefits	7,444	7,804	1,859	17,107	32,018	49,125
Payroll taxes	7,787	9,756	2,659	20,202	17,576	37,778
Professional fees	325,108	64,367	6,000	395,475	582,051	977,526
Telephone	-	-	-	-	13,024	13,024
Occupancy	721	1,202	721	2,644	25,708	28,352
Printing and publications	-	3,805	-	3,805	3,965	7,770
Marketing and promotions	6,443	-	-	6,443	92,474	98,917
Travel	-	-	-	-	515	515
Meetings and conferences	-	769	-	769	4,526	5,295
Office	-	40	-	40	7,923	7,963
Depreciation	34,335	3,815	-	38,150	-	38,150
Miscellaneous	1,500	2,778	-	4,278	12,056	16,334
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	\$ <u>4,260,779</u>	<u>1,916,964</u>	<u>139,534</u>	<u>6,317,277</u>	<u>1,121,757</u>	<u>7,439,034</u>

See accompanying notes to the financial statements.

Cincinnati Preschool Promise, LLC  
Statement of Functional Expenses  
Year Ended June 30, 2019

	<u>Tuition Assistance</u>	<u>Quality Improvement</u>	<u>Cost of Quality</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Total</u>
Tuition payments	\$ 3,409,590	-	-	3,409,590	-	3,409,590
Classroom supplies, education tools and related products	-	594,988	-	594,988	-	594,988
Coaching, professional development and related services	-	471,635	-	471,635	-	471,635
Teacher grants	-	-	41,368	41,368	-	41,368
Salaries	59,060	95,553	89,823	244,436	304,668	549,104
Employee benefits	5,350	6,844	8,155	20,349	25,172	45,521
Payroll taxes	5,086	8,630	8,137	21,853	25,299	47,152
Professional fees	388,390	73,952	6,312	468,654	444,327	912,981
Telephone	-	-	-	-	4,626	4,626
Occupancy	721	1,202	721	2,644	25,708	28,352
Printing and publications	1,154	612	-	1,766	5,172	6,938
Marketing and promotions	31,554	-	-	31,554	58,029	89,583
Travel	25	-	-	25	2,978	3,003
Meetings and conferences	-	1,293	682	1,975	3,743	5,718
Office	250	-	-	250	9,501	9,751
Depreciation	34,335	3,815	-	38,150	-	38,150
Miscellaneous	-	-	-	-	7,923	7,923
<b>Total expenses</b>	<b>\$ <u>3,935,515</u></b>	<b><u>1,258,524</u></b>	<b><u>155,198</u></b>	<b><u>5,349,237</u></b>	<b><u>917,146</u></b>	<b><u>6,266,383</u></b>

See accompanying notes to the financial statements.



Cincinnati Preschool Promise, LLC  
 Statements of Cash Flows  
 Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 9,465	(29,227)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	38,150	38,150
Effects of change in operating assets and liabilities:		
Accounts receivable	(18,910)	4,293
Prepaid expenses	(18,914)	(8,123)
Accounts payable	94,834	167,377
Accrued expenses	14,548	9,740
Refundable advances	<u>(1,137,502)</u>	<u>(121,275)</u>
Net cash provided (used) by operating activities	<u>(1,018,329)</u>	<u>60,935</u>
Net change in cash	(1,018,329)	60,935
Cash at beginning of year	<u>3,426,375</u>	<u>3,365,440</u>
Cash at end of year	\$ <u>2,408,046</u>	<u>3,426,375</u>

See accompanying notes to the financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Cincinnati Preschool Promise, LLC (the "Organization") are set forth to facilitate the understanding of data presented in the financial statements.

### **Organization and business description**

Cincinnati Preschool Promise, LLC is a not-for-profit limited liability company with Articles of Organization filed with the Ohio Secretary of State on September 28, 2016. Originally known as Cincinnati PEO, LLC, ("PEO" meaning "Preschool Expansion Organization") it changed its name to Cincinnati Preschool Promise, LLC in March 2017.

The Organization's mission is to expand access to quality community provider preschools located within the geographic boundaries of the Cincinnati City School District (the "School District") in Hamilton County, Ohio. Therefore, any spending by the School District on its preschool programs, including Tuition Assistance spending, is not included in these audited financial statements. For School District spending please see the School District's published financial statements.

The Organization focuses on access to quality preschools because attending a quality preschool is considered a key step to preparing children for future educational achievement. The Organization considers "community provider preschools" (also referred to as "community providers") as those licensed preschools that are operated within the School District boundaries by entities other than the School District.

To this aim, the Organization currently focuses its resources on three main programs, Tuition Assistance, Quality Improvement and Cost of Quality.

Tuition Assistance provides financial support to help families afford quality community provider preschools. The support is paid directly to eligible quality preschool providers. Quality Improvement provides education tools, classroom supplies, insurance subsidies, professional training opportunities, coaching and other supports to community provider preschools in order to help them reach quality and thereby increase the number of quality preschool spaces available within the geographic boundaries of the School District. Cost of Quality provides wage support and professional achievement payment to lead preschool classroom teachers at community providers. The payments are made as part of a greater effort to reduce lead preschool teacher turnover and promote professional achievement. A reduction in turnover and increasing professional achievement are seen as indispensable to improving quality in preschool classrooms and with it the educational achievement of preschool students. The Organization also expends financial resources for management and general ("M&G") expenses. M&G expenses are generally referred to as administrative costs. These M&G expenses are considered necessary for the organization to operate effectively but are not attributable to a specific program.

The Organization considers a preschool program to be a quality preschool if it is rated three, four, or five stars using the State of Ohio's Step Up To Quality Scale. The scale is an integral part of the Step Up To Quality program administered by the Ohio Department of Education and the Ohio Department of Job and Family Services.

As it relates to Tuition Assistance, the Organization provides assistance to eligible four and three-year-old children in accordance with the Master Agreement for Preschool Expansion Services (the "Master

Agreement”). A copy of the Master Agreement is available on the Organization’s website ([www.cincy-promise.org](http://www.cincy-promise.org)).

As it relates to Quality Improvement, the Organization provides assistance for quality improvements at eligible preschool programs not currently rated as three, four, or five stars in the previously mentioned Step Up To Quality Scale. The aim of the assistance is to help those preschools achieve a three, four, or five-star rating and thereby increase the number of quality community provider preschool slots available for children living in the geographic boundaries of the School District. The Organization develops individualized plans for each preschool provider. The plans serve as the roadmap for the provider to achieve a three, four, or five-star rating. The plans not only help the provider focus its efforts, but also guides the type of financial support provided by the Organization.

As it relates to the Cost of Quality program, the Organization seeks to improve the quality of preschool education by providing financial support to qualifying preschool teachers and thereby absorbing some of the cost of improving preschool quality. During 2020, the program operated two pilot grants focused on improving preschool teacher compensation at community providers. These pilot grants, structured as direct payments to teachers, are expected to positively impact children’s education through reduced teacher turnover, decreased teacher stress, increased teacher satisfaction, and expanded teacher professional development or education. The Teacher Promise Grant (TPG) provides monthly financial support to qualifying lead preschool classroom teachers for each month they remain in their role at their preschool employer. The Teacher Advancement Bonus pilot provides an additional, pre-determined, level of support, for TPG participants who reach professional development levels beyond the minimum licensing requirements or who increase their formal educational achievements.

The Organization does not currently engage in significant fundraising activities and is almost exclusively funded by revenue generated by a property tax levy, approved in November 2016 and renewed in November 2020, by voters residing within the boundaries of the School District. The tax levy is described in more detail in Note 2.

As alluded to earlier, the Organization is subject to the Master Agreement between the School District, the Organization, and the United Way of Greater Cincinnati (the “UWGC”). The Master Agreement describes more specifically the aspirations, goals, and focus of the Organization, the School District, and UWGC. A copy of the agreement is available on the Organization’s website ([www.cincy-promise.org](http://www.cincy-promise.org)).

#### **Adoption of new accounting standard**

During 2020, the Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The standard assists entities in determining whether transactions should be recorded as a contribution (nonreciprocal transaction) or as an exchange (reciprocal transaction). The standard also provides expanded guidance on determining whether or not a contribution is conditional. Implementation of this ASU did not have a material effect on the results of the Organization.

#### **Income taxes**

For federal tax purposes, the Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. It has been determined that the Organization is not a private foundation. The

Organization's policy with regards to interest and penalties is to recognize interest through interest expense and penalties through other expenses.

#### **Financial statement presentation**

The Organization reports information regarding its financial position and activities in two classes of net assets: net assets without donor restrictions which have no donor-imposed restrictions and net assets with donor restrictions which are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will likely be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Cash concentrations**

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash. Cash in excess of federally insured limits was approximately \$2,160,000 and \$3,207,000 as of June 30, 2020 and 2019, respectively.

#### **Accounts receivable**

The Organization carries its accounts receivable at the amount expected to be collected less an allowance for doubtful accounts. Accounts receivable outstanding longer than the contractual payment terms are considered past due. The Organization reviews past due accounts to determine if an allowance for doubtful accounts is necessary. Accounts receivable are written off when they are determined to be uncollectible. As of June 30, 2020 and 2019, no allowance for doubtful accounts has been recorded.

#### **Property and equipment**

Property and equipment are recorded at cost or fair value at the time of the gift in the case of donated items. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets. The cost of maintenance and repairs is charged to expense as incurred; expenditures are capitalized if they are \$5,000 or more and have a useful life exceeding one year in length.

#### **Refundable advances**

Refundable advances consist of quarterly tax levy payments received prior to the Organization incurring allowable program expenses. Revenue is recognized when the program expenditures have been incurred.

#### **Contributions**

Contributions of cash and other assets without donor stipulations concerning the use of such assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets to be used in accordance with donor stipulations are reported as revenues of the net assets with donor restrictions class. Contributions received with restrictions whose restrictions are met in the same period are reported as net assets without donor restrictions revenue.

**Donated materials and services**

The Organization records the estimated fair value of certain donated materials and services as an expense in its financial statements, and similarly increases revenue by a like amount. The Organization records donated goods and services when the amounts contributed are greater than \$2,500. Donated materials and services totaled \$223,612 and \$205,208 for the years ended June 30, 2020 and 2019, respectively. In 2020 and 2019 this primarily included finance, accounting and human resources back-office support services.

**Functional allocation of expenses**

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Expenses are directly applied when applicable and are allocated to programs or support services based on the table shown below. Such allocations are determined by management as follows:

Expense	Allocation Method
Salaries, benefits and taxes	Time and Effort
Professional fees	Time and Effort
Depreciation	Estimated use of the asset
Occupancy	Square footage

**Advertising expenses**

Advertising costs are expensed in the period in which they are incurred. Total advertising expense was \$98,917 and \$89,583 during the years ended June 30, 2020 and 2019, respectively.

**Subsequent events**

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through January 19, 2021, the date on which the financial statements were available to be issued.

**2. TAX LEVY FUNDING:**

The Organization is funded almost exclusively by a portion of the funds generated by a tax levy Cincinnati-area voter approved on November 8, 2016 and renewed on November 3, 2020. The levy was referred to as Issue 44 on the ballot, was proposed by the Cincinnati City School District, of Hamilton County, Ohio, (School District), and was expected to generate approximately \$48,000,000 dollars per year for the School District. Preschool expansion is approximately \$15,000,000 annually, or 15/48ths of the estimated \$48,000,000 to be collected annually from the levy. The Organization receives a portion of the \$15,000,000 since some of the preschool expansion funds are used by the School District for its own preschool expansion efforts.

The Organization’s funds come from the portion of the levy funds allocated for preschool expansion. The allocated funds are passed through United Way of Greater Cincinnati (UWGC). UWGC is a charitable organization with a history of involvement, support, and investment in work that focuses on solutions to community issues. In the second step, UWGC transfers funds to the Organization as the Organization

requests them. This process was created and outlined in the Master Agreement for Preschool Expansion Services (Master Agreement).

**3. PROPERTY AND EQUIPMENT, NET:**

Property and equipment consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Office furniture and equipment	\$ 152,600	152,600
Less accumulated depreciation	<u>(114,450)</u>	<u>(76,300)</u>
Total	\$ <u>38,150</u>	<u>76,300</u>

**4. RELATED PARTY TRANSACTIONS:**

As required by its Operating Agreement, the Organization’s Board of Managers must include individuals nominated by the School District, UWGC, and Cincinnati Promise Forward, an Ohio non-profit corporation. These individuals are able to vote in matters of the Organization.

The Master Agreement provides that UWGC will receive \$200,000 annually as an administrative fee. As part of this fee UWGC provides the Organization with executive management, financial and administrative support, including human resources, advocacy and fundraising. During the years ended June 30, 2020 and 2019 the annual fee was waived by UWGC.

UWGC is reimbursed for additional expenses it incurred on behalf of, and services it provided to, the Organization. During the years ended June 30, 2020 and 2019, the Organization reimbursed UWGC \$8,100 and \$8,600, respectively, for these services.

The Organization and UWGC are further related as UWGC is the sole member of the Organization and also leases space to the Organization. The Organization entered into a one-year lease for office space with monthly payments due to UWGC of approximately \$2,400. The lease ends on December 31, 2021.

**5. COMMITMENTS AND CONTINGENCIES:**

The Organization has entered into an agreement with MextrixIQ to provide ongoing data system support and maintenance through August 2022. Expenses incurred from MextrixIQ totaled \$382,859 and \$450,420 during the years ended June 30, 2020 and 2019, respectively.

The following is a schedule by fiscal year of future estimated payments required under the agreement as of June 30, 2020:

2021	\$ 390,401
2022	406,785
2023	<u>68,299</u>
	<u>\$ 865,485</u>

**6. LIQUIDITY:**

The Organization is substantially supported by property tax revenue. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

There were no restrictions or limitations on the assets noted below as of June 30, 2020 and 2019. The following table presents the financial assets available to meet cash needs for general expenditures within one year at June 30:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash	\$ 2,408,046	3,426,375
Accounts receivable	<u>18,910</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>2,426,956</u>	<u>3,426,375</u>

**7. RISKS AND UNCERTAINTIES:**

On March 11, 2020, the World Health Organization declared the outbreak of novel coronavirus (COVID-19) as a global pandemic. The COVID-19 pandemic has caused business disruption through closings of offices. The extent of the impact of COVID-19 pandemic on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the pandemic.

**8. NEW ACCOUNTING PRONOUNCEMENT:**

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of the lease commencement. Leases will be classified as either financing or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the Organization's year ending June 30, 2023. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Cincinnati Preschool Promise, LLC  
 Report of Cincinnati Public School Levy Funds  
 July 1, 2019 through June 30, 2020

	<u>Tuition</u>	<u>Quality</u>	<u>Cost of</u>	<u>Total</u>	<u>Management</u>	<u>Total</u>
	<u>Assistance</u>	<u>Improvements</u>	<u>Quality</u>	<u>Program</u>	<u>and General</u>	
Shared property taxes revenue	\$ 4,217,997	1,914,030	139,533	6,271,560	905,712	7,177,272
Tuition payments	3,785,152	-	-	3,785,152	-	3,785,152
Quality improvement	-	1,706,127	-	1,706,127	-	1,706,127
Teacher grants	-	-	97,519	97,519	-	97,519
Salaries	92,289	116,501	30,776	239,566	329,921	569,487
Employee benefits	7,444	7,804	1,859	17,107	32,018	49,125
Payroll taxes	7,787	9,756	2,659	20,202	17,576	37,778
Professional fees	325,108	64,367	6,000	395,475	358,439	753,914
Telephone	-	-	-	-	13,024	13,024
Occupancy	721	1,202	721	2,644	25,708	28,352
Printing and publications	-	3,805	-	3,805	3,965	7,770
Marketing and promotions	6,443	-	-	6,443	92,474	98,917
Travel	-	-	-	-	515	515
Meetings and conferences	-	769	-	769	4,526	5,295
Office	-	40	-	40	7,923	7,963
Miscellaneous	1,500	2,778	-	4,278	12,056	16,334
<b>Total expenses</b>	<b>\$ 4,226,444</b>	<b>1,913,149</b>	<b>139,534</b>	<b>6,279,127</b>	<b>898,145</b>	<b>7,177,272</b>

Note: This supplemental schedule includes only levy expenses incurred and levy revenue received by the Organization.



Cincinnati Preschool Promise, LLC  
 Report of Cincinnati Public School Levy Funds  
 July 1, 2018 through June 30, 2019

	<u>Tuition</u> <u>Assistance</u>	<u>Quality</u> <u>Improvements</u>	<u>Cost of</u> <u>Quality</u>	<u>Total</u> <u>Program</u>	<u>Management</u> <u>and General</u>	<u>Total</u>
Shared property taxes revenue	\$ 3,901,180	1,254,709	155,198	5,311,087	711,938	6,023,025
Tuition payments	3,409,590	-	-	3,409,590	-	3,409,590
Quality improvement	-	1,066,623	-	1,066,623	-	1,066,623
Teacher grants	-	-	41,368	41,368	-	41,368
Salaries	59,060	95,553	89,823	244,436	304,668	549,104
Employee benefits	5,350	6,844	8,155	20,349	25,172	45,521
Payroll taxes	5,086	8,630	8,137	21,853	25,299	47,152
Professional fees	388,390	73,952	6,312	468,654	239,119	707,773
Telephone	-	-	-	-	4,626	4,626
Occupancy	721	1,202	721	2,644	25,708	28,352
Printing and publications	1,154	612	-	1,766	5,172	6,938
Marketing and promotions	31,554	-	-	31,554	58,029	89,583
Travel	25	-	-	25	2,978	3,003
Meetings and conferences	-	1,293	682	1,975	3,743	5,718
Office	250	-	-	250	9,501	9,751
Miscellaneous	-	-	-	-	7,923	7,923
<b>Total expenses</b>	<b>\$ 3,901,180</b>	<b>1,254,709</b>	<b>155,198</b>	<b>5,311,087</b>	<b>711,938</b>	<b>6,023,025</b>

Note: This supplemental schedule includes only levy expenses incurred and levy revenue received by the Organization.

See accompanying notes to the financial statements.

