

**THE EDUCATION TRUST  
AND ITS SUPPORTING ORGANIZATIONS  
(U.S. EDUCATION DELIVERY INSTITUTE, INC.  
AND DATA QUALITY CAMPAIGN, INC.)**

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

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

**The Education Trust and its Supporting Organizations  
(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Table of Contents**

---

	<b>Page</b>
<b>Independent Auditor's Report</b>	1 - 2
<b>Audited Consolidated Financial Statements</b>	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6 - 16
<b>Supplementary Information</b>	
Schedules of Financial Position of The Education Trust - Stand-Alone Basis	17
Schedules of Activities and Changes in Net Assets of The Education Trust - Stand-Alone Basis	18
Schedules of Functional Expenses of The Education Trust - Stand-Alone Basis	19 - 20
Consolidating Schedules of Financial Position	21 - 24
Consolidating Schedules of Activities and Changes in Net Assets	25 - 26



805 King Farm Boulevard  
Suite 300  
Rockville, Maryland 20850

☎ 301.231.6200  
☎ 301.231.7630  
www.aronsonllc.com  
info@aronsonllc.com

## Independent Auditor's Report

Board of Directors

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**  
Washington, D.C.

We have audited the accompanying Consolidated Financial Statements of **The Education Trust and its Supporting Organizations (U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)** (the Consolidated Entities) which comprise the Consolidated Statements of Financial Position as of June 30, 2013 and 2012, and the related Consolidated Statements of Activities and Changes in Net Assets and Cash Flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

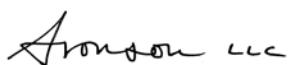
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **The Education Trust and its Supporting Organizations (U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)** as of June 30, 2013 and 2012, and the consolidated changes in their net assets and their 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 consolidated financial statements as a whole. The Schedules of Financial Position – Stand-Alone Basis, the Schedules of Activities and Changes in Net Assets – Stand-Alone Basis, the Schedules of Functional Expenses – Stand-Alone Basis, the Consolidating Schedules of Financial Position, and the Consolidating Schedules of Activities and Changes in Net Assets on pages 17 - 26 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated 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 consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.



Rockville, Maryland  
October 8, 2013

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Consolidated Statements of Financial Position**

<i>June 30,</i>	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 5,438,034	\$ 5,972,934
Contributions receivable, current portion	7,312,962	4,393,085
Accounts receivable	462,059	229,833
Prepaid expenses	272,864	293,627
<b>Total current assets</b>	<b>13,485,919</b>	<b>10,889,479</b>
<b>Investments</b>	<b>6,467,720</b>	<b>6,584,397</b>
<b>Contributions receivable, net</b>	<b>2,931,579</b>	<b>2,536,500</b>
<b>Property and equipment, net</b>	<b>655,928</b>	<b>711,255</b>
<b>Deposits</b>	<b>57,315</b>	<b>57,315</b>
<b>Total assets</b>	<b>\$ 23,598,461</b>	<b>\$ 20,778,946</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 368,863	\$ 470,264
Accrued payroll and related expenses	914,254	826,774
Deferred revenue	155,425	12,886
<b>Total current liabilities</b>	<b>1,438,542</b>	<b>1,309,924</b>
<b>Long term liabilities</b>		
Deferred rent	571,144	737,564
<b>Total liabilities</b>	<b>2,009,686</b>	<b>2,047,488</b>
<b>Net assets</b>		
Unrestricted	9,736,018	9,548,467
Temporarily restricted	11,852,757	9,182,991
<b>Total net assets</b>	<b>21,588,775</b>	<b>18,731,458</b>
<b>Total liabilities and net assets</b>	<b>\$ 23,598,461</b>	<b>\$ 20,778,946</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Consolidated Statements of Activities and Changes in Net Assets**

<i>Years Ended June 30,</i>	<b>2013</b>			<b>2012</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Support and revenue</b>						
Contributions	\$ 5,074,587	\$ 13,040,662	\$ 18,115,249	\$ 2,347,729	\$ 7,519,006	\$ 9,866,735
Contracts	2,158,877	-	2,158,877	833,120	-	833,120
Program service fees	106,750	-	106,750	200,864	-	200,864
Registration fees	135,133	-	135,133	94,450	-	94,450
Investment income	75,176	-	75,176	157,652	-	157,652
Other income	42,513	-	42,513	38,499	-	38,499
Publication and merchandise, net	2,169	-	2,169	5,279	-	5,279
Net assets released from restrictions	10,370,896	(10,370,896)	-	15,767,858	(15,767,858)	-
<b>Total support and revenue</b>	<b>17,966,101</b>	<b>2,669,766</b>	<b>20,635,867</b>	<b>19,445,451</b>	<b>(8,248,852)</b>	<b>11,196,599</b>
<b>Expenses</b>						
Program services	15,994,372	-	15,994,372	16,702,209	-	16,702,209
Fundraising	479,728	-	479,728	696,297	-	696,297
General and administrative	1,304,450	-	1,304,450	656,805	-	656,805
<b>Total expenses</b>	<b>17,778,550</b>	<b>-</b>	<b>17,778,550</b>	<b>18,055,311</b>	<b>-</b>	<b>18,055,311</b>
<b>Change in net assets</b>	<b>187,551</b>	<b>2,669,766</b>	<b>2,857,317</b>	<b>1,390,140</b>	<b>(8,248,852)</b>	<b>(6,858,712)</b>
<b>Net assets, beginning of year</b>	<b>9,548,467</b>	<b>9,182,991</b>	<b>18,731,458</b>	<b>8,158,327</b>	<b>17,431,843</b>	<b>25,590,170</b>
<b>Net assets, end of year</b>	<b>\$ 9,736,018</b>	<b>\$ 11,852,757</b>	<b>\$ 21,588,775</b>	<b>\$ 9,548,467</b>	<b>\$ 9,182,991</b>	<b>\$ 18,731,458</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Consolidated Statements of Cash Flows**

<i>Years Ended June 30,</i>	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,857,317	\$ (6,858,712)
<b>Adjustments to reconcile change in net assets to net cash used by operating activities</b>		
Depreciation and amortization	271,264	274,451
Unrealized (gains) losses on investments	9,242	(39,928)
Discount for long-term contributions	133,500	-
Donated stock	(328,853)	-
<b>(Increase) decrease in:</b>		
Contributions receivable	(3,448,456)	5,667,202
Accounts receivable	(232,226)	(53,596)
Other receivable	-	242,662
Prepaid expenses	20,763	94,881
Deposits	-	(1,000)
<b>Increase (decrease) in:</b>		
Accounts payable	(101,401)	(365,863)
Accrued payroll and related expenses	87,480	180,067
Deferred revenue	142,539	4,861
Deferred rent	(166,420)	(157,162)
<b>Net cash used by operating activities</b>	<b>(755,251)</b>	<b>(1,012,137)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(215,937)	(39,395)
Purchase of investments	(3,662,855)	(4,790,660)
Proceeds from redemptions of investments	4,099,143	6,227,545
<b>Net cash provided by investing activities</b>	<b>220,351</b>	<b>1,397,490</b>
<b>Net change in cash and cash equivalents</b>	<b>(534,900)</b>	<b>385,353</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,972,934</b>	<b>5,587,581</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,438,034</b>	<b>\$ 5,972,934</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

# **The Education Trust and its Supporting Organizations (U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

## **Notes to Consolidated Financial Statements**

### **1. Organization and significant accounting policies**

#### **Nature of operations of the Consolidated Entities:**

**The Education Trust** – The Education Trust is a nonprofit organization that promotes high academic achievement for all students at all levels - pre-kindergarten through college. The Education Trust's goal is to close the gaps in opportunity and achievement that consign far too many young people - especially those from low-income families or who are black, Latino, or American Indian - to lives on the margins of the American mainstream.

Although many organizations speak up for the adults employed by schools and colleges, The Education Trust speaks up for students, especially those whose needs and potential are often overlooked. The Education Trust evaluates every policy, every practice, and every dollar spent through a single lens: what is right for students. The Education Trust carries out its mission in three primary ways:

Working alongside educators, parents, students, policymakers, and civic and business leaders in communities across the country, providing practical assistance in their efforts to transform schools and colleges into institutions that serve all students well.

Analyzing local, state, and national data and use what is learned to help build broader understanding of achievement and opportunity gaps and the actions necessary to close them.

Participating actively in national and state policy debates, bringing lessons learned from on-the-ground work and from unflinching data analyses to build the case for policies that will help all students and schools reach high levels of achievement.

**U.S. Education Delivery Institute, Inc.** – In 2010, the dormant supporting organization for The Education Trust was revived and its name changed to U.S. Education Delivery Institute, Inc. (USEDI). USEDI is a Type I supporting organization to The Education Trust under section 509(a)(3) with a mission to build the capacity of leaders in K-12 and higher education to implement their key education priorities.

**Data Quality Campaign, Inc.** – Data Quality Campaign, Inc. (DQC), is a Type I supporting organization to The Education Trust under section 509(a)(3) with a mission to encourage and support state policymakers to improve the availability and use of high-quality education data to improve student achievement.

# **The Education Trust and its Supporting Organizations (U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

## **Notes to Consolidated Financial Statements**

---

**Basis of consolidation:** The Education Trust is consolidated with its supporting organizations since The Education Trust has the ability to appoint the majority of the supporting organizations' board members and the rights to any residual economic interest that exists through residual assets. The supporting organizations' missions support The Education Trust by furthering the mission of The Education Trust. The supporting organizations maintain separate management, systems, and operations. There are no funds raised or held by any organization on behalf of another organization. All intercompany transactions have been eliminated. The consolidated financial statements include the activity of The Education Trust, USED and DQC (the supporting organizations), which are collectively referred to herein as the Consolidated Entities.

**Basis of accounting:** The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations.

**Basis of presentation:** Net assets and revenues of the Consolidated Entities are classified based on the existence or absence of donor-imposed restrictions and reported as follows:

**Unrestricted net assets:** Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets:** Net assets subject to donor-imposed stipulations that will be met either by actions of the Consolidated Entities and/or the passage of time.

**Cash and cash equivalents:** For purposes of financial statement presentation, the Consolidated Entities considers all highly liquid debt instruments with initial maturities of ninety days or less to be cash equivalents. The Consolidated Entities maintain cash balances which may exceed Federally insured limits. Management does not believe that this results in any significant credit risk.

**Contributions receivable:** The Consolidated Entities record unconditional contributions of gifts in the financial statements at the time contributions are made or received. An allowance for doubtful accounts is provided on an account by account basis. The discount on contributions is computed at a discount rate approximating the prevailing local borrowing rate.

**Accounts receivable:** Services performed and billed under contracts but not yet received are shown as accounts receivable. All balances are considered fully collectible by the Consolidated Entities, therefore no allowance was deemed necessary.

**The Education Trust and its Supporting Organizations  
(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Notes to Consolidated Financial Statements**

---

**Prepaid expenses:** Prepaid expenses are predominantly payments for rent and insurance paid in advance.

**Investments:** Investments are stated at fair value based on published market values and consist of cash, certificates of deposits, corporate bonds, and asset backed securities with maturities greater than three months. All investments are owned by The Education Trust.

**Property and equipment:** Property and equipment of the Consolidated Entities are recorded at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is being computed on a straight-line basis over estimated lives of three to five years. Leasehold improvements are amortized over the lease term. The Consolidated Entities capitalize all fixed assets greater than \$1,000.

**Revenue Recognition:**

**Contributions:** The Consolidated Entities recognize all unconditional contributions and grants received as income in the period received or pledged. Unconditional contributions are reported as unrestricted, temporarily restricted or permanently restricted depending on the absence or existence of donor stipulations that limit the use of the contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Management believes all contributions are fully collectible and no allowance for uncollectible contributions has been recorded.

When a donor 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 reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets are reported as unrestricted net assets if the restrictions are met in the same period the funds were received.

**The Education Trust and its Supporting Organizations  
(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Notes to Consolidated Financial Statements**

---

Donated services are valued at the vendors estimated cost of the project. For the years ended June 30, 2013 and 2012, donated services were \$69,754 and \$12,765, respectively, and were included in contributions on the Consolidated Statements of Activities and Changes in Net Assets.

**Contracts:** Fee for service contract revenue is recognized and billed monthly as work is performed.

**Program service fees:** Service fees are collected by The Education Trust for speaking engagements and consultation support and are recognized upon performance of the service. Management believes that the related receivables are fully collectible and no allowance for doubtful accounts was recorded.

**Registration fees:** Fees are recognized by The Education Trust during the month in which the conference or seminar is held.

**Publication and merchandise:** Revenue from sales of educational material related to The Education Trust's program activity and merchandise supporting the program message is recognized at the time of the sale.

**Functional allocation of expenses:** The costs of the Consolidated Entities providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The programs change definition and composition over time based on projects being conducted.

**Income tax status:** The Consolidated Entities consist of tax exempt entities. They are exempt from Federal income tax under 501(c)(3) of the Internal Revenue Code, and are all classified as an organization that is not a private foundation.

The Consolidated Entities evaluate uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of June 30, 2013, there are no accruals for uncertain tax positions. If applicable, the Consolidated Entities record interest and penalties as a component of income tax expense. Tax years from 2010 through the current year remain open for examination by tax authorities.

**Reclassification:** Certain 2012 balances have been reclassified to reflect 2013 presentation.

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Notes to Consolidated Financial Statements**

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

**Subsequent events:** Management has evaluated subsequent events for disclosure in these consolidated financial statements through October 8, 2013, which was the date the consolidated financial statements were available to be issued.

**2. Contributions receivable**

At June 30, 2013 and 2012, the Consolidated Entities had contributions receivable from corporations and private foundations.

Receivables consist of the following as of June 30:

	<b>2013</b>	2012
Contributions receivable	<b>\$ 10,373,890</b>	\$ 7,063,085
Due within one year	<b>(7,312,962)</b>	(4,393,085)
	<b>3,060,928</b>	2,670,000
Present value discount	<b>(129,349)</b>	(133,500)
<b>Total long term</b>	<b>\$ 2,931,579</b>	\$ 2,536,500

All long term receivables belong to DQC. No allowance for uncollectible contributions has been recorded as the Consolidated Entities believe all contributions are fully collectible. The receivables collectible beyond one year have been discounted to their present value using a 3% discount rate.

The consolidating schedule of contributions receivable is as follows as of June 30:

	<b>2013</b>	2012
Contributions receivable by The Education Trust	<b>\$ 6,655,000</b>	\$ 6,563,085
Contributions receivable by DQC	<b>3,568,890</b>	-
Contributions receivable by USED I	<b>150,000</b>	500,000
Subtotal	<b>10,373,890</b>	7,063,085
Present value discount for DQC	<b>(129,349)</b>	(133,500)
<b>Total contributions receivable</b>	<b>\$ 10,244,541</b>	\$ 6,929,585

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Notes to Consolidated Financial Statements**

- 3. Investments**      The following is a summary of The Education Trust's investments as of June 30, 2013 and 2012. USED and DQC had no assets included in the investment balances below:

	<b>2013</b>	<b>2012</b>
Money market fund	\$ 1,720,633	\$ 254,822
Government securities	77,831	25,166
Corporate fixed income	15,859	118,652
Certificates of deposit	4,653,397	6,185,757
<b>Total investments</b>	<b>\$ 6,467,720</b>	<b>\$ 6,584,397</b>

USED's investment income results from interest bearing cash account included with cash and cash equivalents on the Consolidated Statements of Financial Position.

Investment income and gains (losses) on investments for the years ended June 30, 2013 and 2012 consisted of the following:

<b>June 30, 2013</b>	<b>DQC</b>	<b>The Education Trust</b>	<b>USED</b>	<b>Total</b>
Interest and dividends	\$ 2,128	\$ 78,902	\$ 3,388	\$ 84,418
Unrealized loss	-	(9,242)	-	(9,242)
<b>Investment income</b>	<b>\$ 2,128</b>	<b>\$ 69,660</b>	<b>\$ 3,388</b>	<b>\$ 75,176</b>

<b>June 30, 2012</b>	<b>DQC</b>	<b>The Education Trust</b>	<b>USED</b>	<b>Total</b>
Interest and dividends	\$ 1,597	\$ 108,310	\$ 7,817	\$ 117,724
Unrealized gain	-	39,928	-	39,928
<b>Investment income</b>	<b>\$ 1,597</b>	<b>\$ 148,238</b>	<b>\$ 7,817</b>	<b>\$ 157,652</b>

- 4. Fair value**      The Education Trust values certain assets at fair value in accordance with a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets for identical assets or liabilities;

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Notes to Consolidated Financial Statements**

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the entity to develop its own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

USEDI and DQC had no assets at June 30, 2013 and 2012 that would fall into these categories. The fair value of The Education Trust's investments is as follows:

		<b>Fair Value Measurements Using:</b>	
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
<b>June 30, 2013</b>	<b>Total</b>		
Money market fund	\$ 1,720,633	\$ 1,720,633	\$ -
Government securities	77,831	-	77,831
Corporate fixed income	15,859	-	15,859
Certificates of deposit	4,653,397	-	4,653,397
<b>Total</b>	<b>\$ 6,467,720</b>	<b>\$ 1,720,633</b>	<b>\$ 4,747,087</b>

		<b>Fair Value Measurements Using:</b>	
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
<b>June 30, 2012</b>	<b>Total</b>		
Money market fund	\$ 254,822	\$ 254,822	\$ -
Government securities	25,166	-	25,166
Corporate fixed income	118,652	-	118,652
Certificates of deposit	6,185,757	-	6,185,757
<b>Total</b>	<b>\$ 6,584,397</b>	<b>\$ 254,822</b>	<b>\$ 6,329,575</b>

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Notes to Consolidated Financial Statements**

Level 2 values utilized the current interest rates for certificates of deposit with similar time to maturity, discounting the future payments to present value at year end. Government securities and Corporate fixed income values were developed utilizing prices for similar assets in markets without active trading volumes. The money market fund is valued at cost which approximates fair value.

**5. Property and equipment**

Property and equipment of the Consolidated Entities consist of the following at June 30, 2013 and 2012:

<b>June 30, 2013</b>	<b>The Education Trust</b>	<b>USEDI</b>	<b>DQC</b>	<b>Total</b>
Leasehold improvements	\$ 699,509	\$ -	\$ -	\$ <b>699,509</b>
Furniture and equipment	538,750	27,575	100,824	<b>667,149</b>
Website development	-	-	97,625	<b>97,625</b>
<b>Total</b>	<b>\$ 1,238,259</b>	<b>\$ 27,575</b>	<b>\$ 198,449</b>	<b>\$ 1,464,283</b>
Less:				
Accumulated depreciation	(741,176)	(13,798)	(53,381)	<b>(808,355)</b>
<b>Net</b>	<b>\$ 497,083</b>	<b>\$ 13,777</b>	<b>\$ 145,068</b>	<b>\$ 655,928</b>
Depreciation expense	\$ 144,272	\$ 5,520	\$ 20,337	\$ <b>170,129</b>
Amortization expense	97,067	-	4,068	<b>101,135</b>
<b>Total depreciation and amortization expense</b>	<b>\$ 241,339</b>	<b>\$ 5,520</b>	<b>\$ 24,405</b>	<b>\$ 271,264</b>

<b>June 30, 2012</b>	<b>The Education Trust</b>	<b>USEDI</b>	<b>DQC</b>	<b>Total</b>
Leasehold improvements	\$ 796,576	\$ -	\$ -	\$ 796,576
Furniture and equipment	503,632	27,575	81,470	612,677
<b>Total</b>	<b>1,300,208</b>	<b>27,575</b>	<b>81,470</b>	<b>1,409,253</b>
Less:				
Accumulated depreciation	(660,744)	(8,278)	(28,976)	<b>(697,998)</b>
<b>Net</b>	<b>\$ 639,464</b>	<b>\$ 19,297</b>	<b>\$ 52,494</b>	<b>\$ 711,255</b>
Depreciation expense	\$ 152,632	\$ 5,520	\$ 19,232	\$ 177,384
Amortization expense	97,067	-	-	97,067
<b>Total depreciation and amortization expense</b>	<b>\$ 240,699</b>	<b>\$ 5,520</b>	<b>\$ 19,232</b>	<b>\$ 274,451</b>

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Notes to Consolidated Financial Statements**

**6. Office lease**

The Education Trust is obligated, as lessee, under non-cancelable operating leases for office space. The minimum payments required under the leases are expensed on a pro rata basis over the term of the leases. The difference between the amounts expensed and the required lease payments is reflected as deferred rent in the accompanying Consolidated Statements of Financial Position. The following is a schedule by year of future minimum rental payments required under the operating leases that have an initial or remaining non-cancelable lease term in excess of one year as of June 30, 2013:

Year Ending June 30	Amount
2014	\$ 1,566,828
2015	1,488,372
2016	126,167
<b>Total</b>	<b>\$ 3,181,367</b>

Total rent expense of The Education Trust for the year ended June 30, 2013 and 2012 was \$1,499,434 and \$1,413,165, respectively.

The Education Trust subleases space to USED1 and DQC. Total rental income received from USED1 during the years ended June 30, 2013 and 2012 was \$446,850 for each year. Total rental income received from DQC during the years ended June 30, 2013 and 2012 was \$96,976 and \$95,676, respectively. The rental income from USED1 and DQC is eliminated upon consolidation.

**7. Temporarily restricted net assets**

Temporarily restricted net assets of the Consolidated Entities consist of amounts restricted for time and purpose by donors for the following programs: Making Opportunity Affordable - College Costs, Access and Success for Students; College and Career Ready California; Advocacy for a Robust Education Data System; Advance Teacher Quality Policies; Extending Awareness and Use of Equity Audit; Knowledge-Sharing Effort on Successful Educational Leadership; Community Outreach and Dissemination; USED1, and DQC.

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Notes to Consolidated Financial Statements**

Temporarily restricted net assets at June 30, 2013 and 2012 were as follows:

	<b>2013</b>	2012
The Education Trust programs	\$ <b>8,271,177</b>	\$ 8,682,991
USEDI	<b>150,000</b>	500,000
DQC	<b>3,431,580</b>	-
<b>Total temporarily restricted net assets</b>	<b>\$ 11,852,757</b>	\$ 9,182,991

**8. Concentration**

Concentrations existed for the Consolidated Entities in support and revenue, and contributions receivable. Concentrations by entity are as follows:

	<b>2013</b>	2012
The Education Trust support and revenue	<b>51%</b> <b>from three private foundations</b>	30% from two private foundations
The Education Trust contributions receivable	<b>29%</b> <b>from two private foundations</b>	67% from three private foundations
USEDI support and revenue	<b>N/A</b>	88% from two private foundations
USEDI contributions receivable	<b>N/A</b>	76% from one private foundation
DQC support and revenue	<b>99%</b> <b>from two private foundations</b>	96% from two private foundations
DQC contributions receivable	<b>100%</b> <b>from two private foundations</b>	N/A

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Notes to Consolidated Financial Statements**

---

**9. Pension plan**      The Education Trust maintains a 403(b) defined contribution retirement plan. All employees of The Education Trust are eligible to participate following the completion of three months of service. The Education Trust contributes 4% of each participant's annual salary and will match up to an additional 3% of an employee's contribution. The participants are immediately fully vested in all contributions. The Education Trust contributed \$382,338 and \$380,369 to the plan during the years ended June 30, 2013 and 2012, respectively.

The Education Trust also maintains a tax deferred annuity plan. Employees of The Education Trust are eligible to participate in this plan immediately upon hire. The Education Trust makes no contributions to this plan.

DQC maintains a 401(k) defined contribution retirement plan. All employees of DQC are eligible to participate immediately. DQC contributes 3% of each participant's annual salary and will match up to an additional 6% of an employee's contribution. The participants are immediately fully vested in all contributions. DQC contributed \$127,707 and \$113,788 for the years ending June 30, 2013 and 2012, respectively.

USEDI maintains a 401(k) defined contribution retirement plan. Employees are immediately eligible to participate in USEDI's 401(k) defined contribution plans. The employer baseline contribution is 3% of the employee's qualifying compensation, without regard to the employee's own contribution. USEDI provides an additional matching contribution of up to 2% of the employee's qualifying compensation, equal to 50% of the employee's own 401(k) contribution. The participants are immediately fully vested in all contributions. USEDI contributed \$99,196 and \$76,408 to the plan during the years ended June 30, 2013 and 2012, respectively.

In January 2013, USEDI established a 457(b) plan for highly compensated employees whose annual compensation is at least the dollar limit under IRC code section 401(a)(17). Eligible participants may defer 100% of their annual salary up to IRS 457(b) contribution limits for 2013. The 2013 IRS annual salary contribution limit is \$17,500. As of fiscal year end June 30, 2013, only one employee elected to participate in the 457(b) plan and USEDI made no matching contributions.

**10. Related party**      In 2013 and 2012, Achieve, Inc., whose president sits on the board of USEDI, contracted services with USEDI. Revenue earned was \$42,966 and \$12,442, respectively and is included as contract income on the Consolidated Statements of Activities and Changes in Net Assets. USEDI also entered into a Memorandum of Understanding under which they earned \$186,133 from The Education Trust for the year ended June 30, 2013. Related party activity between the Consolidated Entities has been eliminated for consolidated presentation.

# The Education Trust

## Schedules of Financial Position - Stand-Alone Basis

<i>June 30,</i>	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 879,437	\$ 1,315,555
Contributions receivable, current portion	6,655,000	3,893,085
Accounts receivable	225,318	89,717
Prepaid expenses	228,991	214,674
<b>Total current assets</b>	<b>7,988,746</b>	<b>5,513,031</b>
<b>Investments</b>	<b>6,467,720</b>	<b>6,584,397</b>
<b>Contributions receivable, net</b>	<b>-</b>	<b>2,536,500</b>
<b>Property and equipment, net</b>	<b>497,083</b>	<b>639,464</b>
<b>Deposits</b>	<b>57,315</b>	<b>57,315</b>
<b>Total assets</b>	<b>\$ 15,010,864</b>	<b>\$ 15,330,707</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 296,472	\$ 301,148
Accrued expenses	696,105	638,814
Deferred contract revenue	155,425	12,886
<b>Total current liabilities</b>	<b>1,148,002</b>	<b>952,848</b>
<b>Long term liabilities</b>		
Deferred rent	529,387	737,564
<b>Total liabilities</b>	<b>1,677,389</b>	<b>1,690,412</b>
<b>Net assets</b>		
Unrestricted	5,062,298	4,957,304
Temporarily restricted	8,271,177	8,682,991
<b>Total net assets</b>	<b>13,333,475</b>	<b>13,640,295</b>
<b>Total liabilities and net assets</b>	<b>\$ 15,010,864</b>	<b>\$ 15,330,707</b>

The Schedules of Financial Position of The Education Trust - Stand-Alone Basis presents the operations of The Education Trust without those of its supporting organizations (U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.).

Refer to Independent Auditor's Report.

# The Education Trust

## Schedules of Activities and Changes in Net Assets - Stand-Alone Basis

<i>Years Ended June 30,</i>	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue</b>						
Contributions	\$ 131,627	\$ 9,609,082	\$ 9,740,709	\$ 47,704	\$ 7,019,006	\$ 7,066,710
Grants and contracts	889,281	-	889,281	608,361	-	608,361
Registration fees	135,133	-	135,133	94,450	-	94,450
Program service fees	106,750	-	106,750	200,864	-	200,864
Publication and merchandise, net	2,169	-	2,169	5,279	-	5,279
Investment income	69,660	-	69,660	148,238	-	148,238
Other income	38,354	-	38,354	25,982	-	25,982
Net assets released from restrictions	10,020,896	(10,020,896)	-	10,567,202	(10,567,202)	-
<b>Total support and revenue</b>	<b>11,393,870</b>	<b>(411,814)</b>	<b>10,982,056</b>	<b>11,698,080</b>	<b>(3,548,196)</b>	<b>8,149,884</b>
<b>Expenses</b>						
Program services	10,555,665	-	10,555,665	10,962,667	-	10,962,667
Fundraising	445,856	-	445,856	421,762	-	421,762
General and administrative	287,355	-	287,355	305,143	-	305,143
<b>Total expenses</b>	<b>11,288,876</b>	<b>-</b>	<b>11,288,876</b>	<b>11,689,572</b>	<b>-</b>	<b>11,689,572</b>
<b>Change in net assets</b>	<b>104,994</b>	<b>(411,814)</b>	<b>(306,820)</b>	<b>8,508</b>	<b>(3,548,196)</b>	<b>(3,539,688)</b>
<b>Net assets, beginning of year</b>	<b>4,957,304</b>	<b>8,682,991</b>	<b>13,640,295</b>	<b>4,948,796</b>	<b>12,231,187</b>	<b>17,179,983</b>
<b>Net assets, end of year</b>	<b>\$ 5,062,298</b>	<b>\$ 8,271,177</b>	<b>\$ 13,333,475</b>	<b>\$ 4,957,304</b>	<b>\$ 8,682,991</b>	<b>\$13,640,295</b>

The Schedules of Activities and Changes in Net Assets of The Education Trust - Stand-Alone Basis presents the operations of The Education Trust without those of its supporting organizations (U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.).

Refer to Independent Auditor's Report.

# The Education Trust

## Schedule of Functional Expenses - Stand-Alone Basis

Year Ended June 30, 2013

	Program Services												General and		2013
	TSC Department	K-12 Policy	Research Department	Higher Education	Teacher Quality	Communi- cations	Editorial & Design	Legislative Affairs	Field	EdTrust West	EdTrust Midwest	Total Program Services	Fundraising	Administrative	Total
Salaries	\$ 320,945	\$ 334,968	\$ 495,084	\$ 664,812	\$ 188,428	\$ 329,426	\$ 407,625	\$ 400,216	\$ 199,758	\$ 1,425,113	\$ 653,154	\$ 5,419,529	\$ 316,772	\$ 143,048	\$ 5,879,349
Employee benefits	67,307	81,172	120,774	137,237	46,972	79,379	89,141	96,849	50,826	324,084	155,780	1,249,521	73,396	39,200	1,362,117
Auditing and finance	2,582	4,452	6,017	7,913	2,409	4,861	3,702	3,606	2,624	12,091	5,507	55,764	-	1,364	57,128
Travel and meetings	109,805	29,734	122,875	82,400	21,651	35,332	22,310	37,799	46,130	196,082	66,638	770,756	-	3,883	774,639
Consultants and facilitators	71,432	9,304	17,773	214,905	5,246	199,407	31,823	19,680	6,447	243,689	52,493	872,199	-	24,331	896,530
Depreciation and amortization	5,548	10,193	13,461	21,321	5,423	10,962	9,629	9,291	6,529	36,370	15,546	144,273	-	-	144,273
Equipment rental	990	3,521	4,530	5,782	1,957	3,544	3,027	2,991	2,367	9,241	4,030	41,980	-	-	41,980
Insurance	1,272	1,924	2,459	2,703	1,105	1,898	1,613	1,409	1,162	4,672	2,253	22,470	6,335	-	28,805
Legal	953	1,631	1,913	2,448	817	1,594	1,242	1,111	852	3,975	6,644	23,180	-	120	23,300
Repairs and maintenance	592	1,961	2,333	3,140	936	1,991	1,574	1,336	971	4,212	2,151	21,197	-	-	21,197
Miscellaneous	629	585	1,006	3,020	320	931	896	3,429	1,480	9,154	5,073	26,523	-	6,042	32,565
Occupancy	23,626	80,727	94,470	120,016	39,488	79,544	68,781	67,693	51,975	155,308	56,854	838,482	49,353	28,277	916,112
Office supplies	1,350	3,041	3,986	5,804	1,576	2,938	3,322	2,950	1,994	7,486	3,913	38,360	-	-	38,360
Postage and shipping	461	400	512	965	194	398	399	470	726	5,842	2,924	13,291	-	66	13,357
Printing and design	902	532	1,583	4,740	296	726	8,238	1,717	7,955	20,596	10,220	57,505	-	-	57,505
Professional fees	470	5,150	5,880	11,605	446	26,481	1,351	18,199	2,901	19,312	9,242	101,037	-	40,934	141,971
Subgrants	-	-	-	472,483	-	-	-	-	-	76,500	-	548,983	-	-	548,983
Temporary services	31	29	45	89	16	1,539	33	34	19	10,173	3,980	15,988	-	-	15,988
Staff development	669	1,373	1,622	2,665	752	374	1,354	1,245	1,410	2,615	822	14,901	-	90	14,991
Telephone	1,797	5,026	6,423	15,235	2,720	5,174	4,265	4,539	3,195	34,351	10,318	93,043	-	-	93,043
Transfer of residual	93,787	-	-	92,896	-	-	-	-	-	-	-	186,683	-	-	186,683
Total expenses	\$ 705,148	\$ 575,723	\$ 902,746	\$ 1,872,179	\$ 320,752	\$ 786,499	\$ 660,325	\$ 674,564	\$ 389,321	\$ 2,600,866	\$ 1,067,542	\$ 10,555,665	\$ 445,856	\$ 287,355	\$ 11,288,876

The Schedule of Functional Expenses of The Education Trust - Stand-Alone Basis presents the operations of The Education Trust without those of its supporting organizations (U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc).

Refer to Independent Auditor's Report.

# The Education Trust

## Schedule of Functional Expenses - Stand-Alone Basis

Year Ended June 30, 2012

	Program Services													Total Program Services	Fundraising	General and Administrative	2012 Total
	K-12 Program	TSC Department	K-12 Policy	Research Department	Higher Education	Teacher Quality	Communi- cations	Editorial & Design	Legislative Affairs	Field	EdTrust West	NASH	EdTrust Midwest				
Salaries and benefits	\$ 364,061	\$ 407,851	\$ 402,088	\$ 381,847	\$ 882,041	\$ 286,157	\$ 387,282	\$ 549,386	\$ 468,254	\$ 240,034	\$ 1,839,149	\$ 66,940	\$ 686,114	\$ 6,961,204	\$ 372,458	\$ 223,927	\$ 7,557,589
Travel and meetings	344,753	161,277	6,765	6,586	36,260	11,820	8,444	3,323	13,014	13,193	102,854	323,580	68,806	1,100,675	-	3,495	1,104,170
Professional fees	118,416	117,078	10,861	12,535	160,339	4,499	68,773	69,989	32,112	5,997	178,171	278,345	63,794	1,120,909	-	42,058	1,162,967
Depreciation and amortization	10,785	8,362	8,272	7,937	16,962	5,780	10,014	10,992	10,548	4,709	38,253	5,465	14,553	152,632	-	-	152,632
Equipment rental	2,541	1,891	2,633	2,541	4,737	1,810	3,305	3,225	3,462	1,324	8,874	494	3,828	40,665	-	-	40,665
Insurance	842	593	1,130	1,091	1,864	769	1,461	1,338	1,508	575	4,255	-	1,976	17,402	6,053	-	23,455
Repairs and maintenance	1,268	913	1,369	1,535	2,657	693	1,249	1,196	1,435	534	7,609	422	2,671	23,551	-	3,900	27,451
Miscellaneous	6,175	1,227	98	227	618	70	714	627	498	792	8,009	3	5,035	24,093	-	7,896	31,989
Occupancy	51,301	38,805	51,892	51,607	118,565	36,514	65,284	67,281	64,111	39,542	179,306	7,305	47,687	819,200	43,251	23,756	886,207
Office supplies	14,380	1,542	2,199	2,081	7,277	1,397	3,431	4,113	2,755	1,240	10,012	681	7,617	58,725	-	-	58,725
Postage and shipping	1,780	423	355	248	672	176	409	327	448	236	4,777	233	3,453	13,537	-	93	13,630
Printing and design	9,832	1,138	406	396	10,039	286	480	26,015	676	236	18,108	709	10,421	78,742	-	-	78,742
Subgrants	-	-	-	-	7,700	-	-	-	-	-	353,800	45,800	-	407,300	-	-	407,300
Temporary services	1,029	1,022	1,119	906	46	1,008	2,011	3,684	1,017	1,006	3,103	27	34	16,012	-	-	16,012
Staff development	417	425	33	527	974	24	112	-	40	571	885	49	3,472	7,529	-	-	7,529
Telephone	5,267	4,657	4,774	4,706	15,865	3,292	8,992	5,957	7,115	3,562	38,190	1,038	17,076	120,491	-	18	120,509
Total expenses	\$ 932,847	\$ 747,204	\$ 493,994	\$ 474,770	\$ 1,266,616	\$ 354,295	\$ 561,961	\$ 747,453	\$ 606,993	\$ 313,551	\$ 2,795,355	\$ 731,091	\$ 936,537	\$ 10,962,667	\$ 421,762	\$ 305,143	\$ 11,689,572

The Schedule of Functional Expenses of The Education Trust - Stand-Alone Basis presents the operations of The Education Trust without those of its supporting organizations (U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.).

Refer to Independent Auditor's Report.

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Consolidating Schedule of Financial Position**

<i>June 30, 2013</i>	<b>DQC</b>	<b>USEDI</b>	<b>The Education Trust</b>	<b>Eliminating</b>	<b>Total</b>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 3,947,158	\$ 611,439	\$ 879,437	\$ -	\$ 5,438,034
Contributions receivable, current portion	507,962	150,000	6,655,000	-	7,312,962
Accounts receivable	-	241,091	225,318	(4,350)	462,059
Prepaid expenses	18,537	60,353	228,991	(35,017)	272,864
<b>Total current assets</b>	<b>4,473,657</b>	<b>1,062,883</b>	<b>7,988,746</b>	<b>(39,367)</b>	<b>13,485,919</b>
<b>Investments</b>	<b>-</b>	<b>-</b>	<b>6,467,720</b>	<b>-</b>	<b>6,467,720</b>
<b>Contributions receivable, net</b>	<b>2,931,579</b>	<b>-</b>	<b>-</b>		<b>2,931,579</b>
<b>Property and equipment, net</b>	<b>145,068</b>	<b>13,777</b>	<b>497,083</b>	<b>-</b>	<b>655,928</b>
<b>Deposits</b>	<b>7,618</b>	<b>-</b>	<b>57,315</b>	<b>(7,618)</b>	<b>57,315</b>
<b>Total assets</b>	<b>\$ 7,557,922</b>	<b>\$ 1,076,660</b>	<b>\$ 15,010,864</b>	<b>\$ (46,985)</b>	<b>\$ 23,598,461</b>

Refer to Independent Auditor's Report.

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Consolidating Schedule of Financial Position**

<i>June 30, 2013</i>	<b>DQC</b>	<b>USEDI</b>	<b>The Education Trust</b>	<b>Eliminating</b>	<b>Total</b>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 23,851	\$ 52,890	\$ 296,472	\$ (4,350)	\$ 368,863
Accrued payroll and other expenses	196,009	64,775	696,105	(42,635)	914,254
Deferred revenue	-	-	155,425	-	155,425
<b>Total current liabilities</b>	<b>219,860</b>	<b>117,665</b>	<b>1,148,002</b>	<b>(46,985)</b>	<b>1,438,542</b>
<b>Long term liabilities</b>					
Deferred rent	-	41,757	529,387	-	571,144
<b>Total liabilities</b>	<b>219,860</b>	<b>159,422</b>	<b>1,677,389</b>	<b>(46,985)</b>	<b>2,009,686</b>
<b>Net assets</b>					
Unrestricted	3,906,482	767,238	5,062,298	-	9,736,018
Temporarily restricted	3,431,580	150,000	8,271,177	-	11,852,757
<b>Total net assets</b>	<b>7,338,062</b>	<b>917,238</b>	<b>13,333,475</b>	<b>-</b>	<b>21,588,775</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,557,922</b>	<b>\$ 1,076,660</b>	<b>\$ 15,010,864</b>	<b>\$ (46,985)</b>	<b>\$ 23,598,461</b>

Refer to Independent Auditor's Report.

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Consolidating Schedule of Financial Position**

<i>June 30, 2012</i>	<b>DQC</b>	<b>USEDI</b>	<b>The Education Trust</b>	<b>Eliminating</b>	<b>Total</b>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 2,095,233	\$ 2,562,146	\$ 1,315,555	\$ -	\$ 5,972,934
Contributions receivable, current portion	-	500,000	3,893,085	-	4,393,085
Accounts receivable	-	157,965	89,717	(17,849)	229,833
Prepaid expenses	53,854	60,116	214,674	(35,017)	293,627
<b>Total current assets</b>	<b>2,149,087</b>	<b>3,280,227</b>	<b>5,513,031</b>	<b>(52,866)</b>	<b>10,889,479</b>
<b>Investments</b>	<b>-</b>	<b>-</b>	<b>6,584,397</b>	<b>-</b>	<b>6,584,397</b>
<b>Contributions receivable, net</b>	<b>-</b>	<b>-</b>	<b>2,536,500</b>		<b>2,536,500</b>
<b>Property and equipment, net</b>	<b>52,494</b>	<b>19,297</b>	<b>639,464</b>	<b>-</b>	<b>711,255</b>
<b>Deposits</b>	<b>7,618</b>	<b>-</b>	<b>57,315</b>	<b>(7,618)</b>	<b>57,315</b>
<b>Total assets</b>	<b>\$ 2,209,199</b>	<b>\$ 3,299,524</b>	<b>\$ 15,330,707</b>	<b>\$ (60,484)</b>	<b>\$ 20,778,946</b>

Refer to Independent Auditor's Report.

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Consolidating Schedule of Financial Position**

<i>June 30, 2012</i>	<b>DQC</b>	<b>USEDI</b>	<b>The Education Trust</b>	<b>Eliminating</b>	<b>Total</b>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 69,575	\$ 117,390	\$ 301,148	\$ (17,849)	\$ 470,264
Accrued payroll and other expenses	185,305	45,290	638,814	(42,635)	826,774
Deferred revenue	-	-	12,886	-	12,886
<b>Total current liabilities</b>	<b>254,880</b>	<b>162,680</b>	<b>952,848</b>	<b>(60,484)</b>	<b>1,309,924</b>
<b>Long term liabilities</b>					
Deferred rent	-	40,696	737,564	(40,696)	737,564
<b>Total liabilities</b>	<b>254,880</b>	<b>203,376</b>	<b>1,690,412</b>	<b>(101,180)</b>	<b>2,047,488</b>
<b>Net assets</b>					
Unrestricted	1,954,319	2,596,148	4,957,304	40,696	9,548,467
Temporarily restricted	-	500,000	8,682,991	-	9,182,991
<b>Total net assets</b>	<b>1,954,319</b>	<b>3,096,148</b>	<b>13,640,295</b>	<b>40,696</b>	<b>18,731,458</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,209,199</b>	<b>\$ 3,299,524</b>	<b>\$ 15,330,707</b>	<b>\$ (60,484)</b>	<b>\$ 20,778,946</b>

Refer to Independent Auditor's Report.

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Consolidating Schedule of Activities and Changes in Net Assets**

<i>Year Ended June 30, 2013</i>	<b>DQC</b>	<b>USEDI</b>	<b>The Education Trust</b>	<b>Eliminating</b>	<b>Total</b>
<b>Changes in unrestricted net assets</b>					
<b>Support and revenue</b>					
Contributions	\$ 4,759,071	\$ 183,889	\$ 131,627	\$ -	\$ 5,074,587
Contracts		1,455,729	889,281	(186,133)	2,158,877
Program service fees	-	-	106,750	-	106,750
Registration fees	-	-	135,133	-	135,133
Investment income	2,128	3,388	69,660	-	75,176
Other income	2,379	1,780	38,354	-	42,513
Publication and merchandise, net	-	-	2,169	-	2,169
Net assets released from restrictions	-	350,000	10,020,896	-	10,370,896
<b>Total support and revenue</b>	<b>4,763,578</b>	<b>1,994,786</b>	<b>11,393,870</b>	<b>(186,133.00)</b>	<b>17,966,101</b>
<b>Expenses</b>					
Program services	2,307,299	3,317,541	10,555,665	(186,133)	15,994,372
Fundraising	33,872	-	445,856	-	479,728
General and administrative	470,244	506,155	287,355	40,696	1,304,450
<b>Total expenses</b>	<b>2,811,415</b>	<b>3,823,696</b>	<b>11,288,876</b>	<b>(145,437)</b>	<b>17,778,550</b>
<b>Change in unrestricted net assets</b>	<b>1,952,163</b>	<b>(1,828,910)</b>	<b>104,994</b>	<b>(40,696)</b>	<b>187,551</b>
<b>Changes in temporarily restricted net assets</b>					
Contributions	3,431,580	-	9,609,082	-	13,040,662
Net assets released from restrictions	-	(350,000)	(10,020,896)	-	(10,370,896)
<b>Change in temporarily restricted net assets</b>	<b>3,431,580</b>	<b>(350,000)</b>	<b>(411,814)</b>	<b>-</b>	<b>2,669,766</b>
<b>Total change in net assets</b>	<b>5,383,743</b>	<b>(2,178,910)</b>	<b>(306,820)</b>	<b>(40,696)</b>	<b>2,857,317</b>
<b>Net assets, beginning of year</b>	<b>1,954,319</b>	<b>3,096,148</b>	<b>13,640,295</b>	<b>40,696</b>	<b>18,731,458</b>
<b>Net assets, end of year</b>	<b>\$ 7,338,062</b>	<b>\$ 917,238</b>	<b>\$ 13,333,475</b>	<b>\$ -</b>	<b>\$ 21,588,775</b>

Refer to Independent Auditor's Report.

**The Education Trust and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Consolidating Schedule of Activities and Changes in Net Assets**

<i>Year Ended June 30, 2012</i>	<b>DQC</b>	<b>USEDI</b>	<b>The Education Trust</b>	<b>Eliminating</b>	<b>Total</b>
<b>Changes in unrestricted net assets</b>					
<b>Support and revenue</b>					
Contributions	\$ 1,050,000	\$ 1,250,025	\$ 47,704	\$ -	\$ 2,347,729
Contracts	-	224,759	608,361	-	833,120
Program service fees	-	-	200,864	-	200,864
Registration fees	-	-	94,450	-	94,450
Investment income	1,597	7,817	148,238	-	157,652
Other income	1,583	10,934	25,982	-	38,499
Publication and merchandise, net	-	-	5,279	-	5,279
Net assets released from restrictions	2,545,408	2,655,248	10,567,202	-	15,767,858
<b>Total support and revenue</b>	<b>3,598,588</b>	<b>4,148,783</b>	<b>11,698,080</b>	<b>-</b>	<b>19,445,451</b>
<b>Expenses</b>					
Program services	2,720,846	3,018,696	10,962,667	-	16,702,209
Fundraising	274,535	-	421,762	-	696,297
General and administrative	10,214	355,493	305,143	(14,045)	656,805
<b>Total expenses</b>	<b>3,005,595</b>	<b>3,374,189</b>	<b>11,689,572</b>	<b>(14,045)</b>	<b>18,055,311</b>
<b>Change in unrestricted net assets</b>	<b>592,993</b>	<b>774,594</b>	<b>8,508</b>	<b>14,045</b>	<b>1,390,140</b>
<b>Changes in temporarily restricted net assets</b>					
Contributions	-	500,000	7,019,006	-	7,519,006
Net assets released from restrictions	(2,545,408)	(2,655,248)	(10,567,202)	-	(15,767,858)
<b>Change in temporarily restricted net assets</b>	<b>(2,545,408)</b>	<b>(2,155,248)</b>	<b>(3,548,196)</b>	<b>-</b>	<b>(8,248,852)</b>
<b>Total change in net assets</b>	<b>(1,952,415)</b>	<b>(1,380,654)</b>	<b>(3,539,688)</b>	<b>14,045</b>	<b>(6,858,712)</b>
<b>Net assets, beginning of year</b>	<b>3,906,734</b>	<b>4,476,802</b>	<b>17,179,983</b>	<b>26,651</b>	<b>25,590,170</b>
<b>Net assets, end of year</b>	<b>\$ 1,954,319</b>	<b>\$ 3,096,148</b>	<b>\$ 13,640,295</b>	<b>\$ 40,696</b>	<b>\$ 18,731,458</b>

Refer to Independent Auditor's Report.