

**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, 2015 AND 2014**

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

**Table of Contents**

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	<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 - 17
<b>Independent Auditor's Report on Supplementary Information</b>	18
<b>Supplementary Information</b>	
Schedules of Financial Position of The Education Trust - Stand-Alone Basis	19
Schedules of Activities and Changes in Net Assets of The Education Trust - Stand-Alone Basis	20
Schedules of Functional Expenses of The Education Trust - Stand-Alone Basis	21 - 22
Consolidating Schedules of Financial Position	23 - 26
Consolidating Schedules of Activities and Changes in Net Assets	27 - 28



## 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.

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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, 2015 and 2014, 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 consolidated 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 from material misstatement.

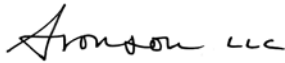
An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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 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 consolidated financial statements.

## Independent Auditor's Report (continued)

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 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, 2015 and 2014, and the 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.



Rockville, Maryland  
October 27 2015

**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>2015</b>	<b>2014</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,571,268	\$ 4,861,358
Contributions receivable, current portion	9,061,833	6,618,378
Accounts receivable	634,090	742,384
Prepaid expenses	423,236	283,463
<b>Total current assets</b>	<b>13,690,427</b>	<b>12,505,583</b>
<b>Investments</b>	<b>8,356,569</b>	<b>8,010,989</b>
<b>Contributions receivable, net</b>	<b>1,442,572</b>	<b>3,953,570</b>
<b>Property and equipment, net</b>	<b>651,539</b>	<b>531,939</b>
<b>Deposits</b>	<b>178,025</b>	<b>57,315</b>
<b>Total assets</b>	<b>\$ 24,319,132</b>	<b>\$ 25,059,396</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 745,255	\$ 401,943
Accrued payroll and related expenses	971,306	878,425
Deferred revenue	193,853	106,697
Deferred rent, current portion	25,279	291,151
<b>Total current liabilities</b>	<b>1,935,693</b>	<b>1,678,216</b>
<b>Long term liabilities</b>		
Deferred rent, net of current portion	73,069	49,433
<b>Total liabilities</b>	<b>2,008,762</b>	<b>1,727,649</b>
<b>Net assets</b>		
Unrestricted	7,042,682	7,560,288
Board designated	1,201,531	1,150,000
<b>Total unrestricted net assets</b>	<b>8,244,213</b>	<b>8,710,288</b>
<b>Temporarily restricted net assets</b>	<b>14,066,157</b>	<b>14,621,459</b>
<b>Total net assets</b>	<b>22,310,370</b>	<b>23,331,747</b>
<b>Total liabilities and net assets</b>	<b>\$ 24,319,132</b>	<b>\$ 25,059,396</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>	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue</b>						
Contributions	\$ 1,227,074	\$ 13,836,695	\$ 15,063,769	\$ 2,269,374	\$ 14,479,304	\$ 16,748,678
Contracts	4,272,240	-	4,272,240	3,381,884	-	3,381,884
Program service fees	65,575	-	65,575	72,760	-	72,760
Registration fees	99,974	-	99,974	123,217	-	123,217
Special event	-	-	-	44,827	-	44,827
Investment income	152,966	-	152,966	54,518	-	54,518
Other income	68,547	-	68,547	64,048	-	64,048
Publication and merchandise	3,848	-	3,848	1,241	-	1,241
Net assets released from restrictions	14,391,997	(14,391,997)	-	11,710,602	(11,710,602)	-
<b>Total support and revenue</b>	<b>20,282,221</b>	<b>(555,302)</b>	<b>19,726,919</b>	<b>17,722,471</b>	<b>2,768,702</b>	<b>20,491,173</b>
<b>Expenses</b>						
Program services	18,833,478	-	18,833,478	16,777,869	-	16,777,869
Fundraising	502,737	-	502,737	543,072	-	543,072
General and administrative	1,412,081	-	1,412,081	1,427,260	-	1,427,260
<b>Total expenses</b>	<b>20,748,296</b>	<b>-</b>	<b>20,748,296</b>	<b>18,748,201</b>	<b>-</b>	<b>18,748,201</b>
<b>Change in net assets</b>	<b>(466,075)</b>	<b>(555,302)</b>	<b>(1,021,377)</b>	<b>(1,025,730)</b>	<b>2,768,702</b>	<b>1,742,972</b>
<b>Net assets, beginning of year</b>	<b>8,710,288</b>	<b>14,621,459</b>	<b>23,331,747</b>	<b>9,736,018</b>	<b>11,852,757</b>	<b>21,588,775</b>
<b>Net assets, end of year</b>	<b>\$ 8,244,213</b>	<b>\$ 14,066,157</b>	<b>\$ 22,310,370</b>	<b>\$ 8,710,288</b>	<b>\$ 14,621,459</b>	<b>\$ 23,331,747</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>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (1,021,377)	\$ 1,742,972
<b>Adjustments to reconcile change in net assets to net cash (used) provided by operating activities</b>		
Depreciation and amortization	259,549	320,844
Unrealized losses on investments	4,097	9,975
Loss on disposal of property and equipment	-	1,063
Discount for long-term contributions	57,428	175,940
In-kind contribution - software	(32,120)	-
<b>(Increase) decrease in:</b>		
Contributions receivable	10,115	(503,347)
Accounts receivable	108,294	(280,325)
Prepaid expenses	(139,773)	(10,599)
Deposits	(120,710)	-
<b>Increase (decrease) in:</b>		
Accounts payable	343,312	33,080
Accrued payroll and related expenses	92,881	(35,829)
Deferred revenue	87,156	(48,728)
Deferred rent	(242,236)	(230,560)
<b>Net cash (used) provided by operating activities</b>	<b>(593,384)</b>	<b>1,174,486</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(347,029)	(197,918)
Purchase of investments	(5,379,023)	(5,602,257)
Proceeds from redemptions of investments	5,029,346	4,049,013
<b>Net cash used by investing activities</b>	<b>(696,706)</b>	<b>(1,751,162)</b>
<b>Net change in cash and cash equivalents</b>	<b>(1,290,090)</b>	<b>(576,676)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,861,358</b>	<b>5,438,034</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,571,268</b>	<b>\$ 4,861,358</b>
<b>Supplemental cash flow information</b>		
Noncash investing and financing - in-kind contribution	\$ 32,120	\$ -

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 using 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.** – U.S. Education Delivery Institute, Inc. (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**

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**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 in consolidation. 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. Board designated unrestricted net assets are net assets that are restricted by the Board of Directors for a reserve fund.

**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.

**Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently. There were no permanently restricted net assets as of June 30, 2015 and 2014.

**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.

# **The Education Trust and its Supporting Organizations**

## **(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

### **Notes to Consolidated Financial Statements**

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**Contributions receivable:** The Consolidated Entities record unconditional contributions of gifts in the financial statements at the time contributions are made or received. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known trouble accounts. All accounts or portions thereof that are deemed to be uncollectible or that require an excessive collection cost are written off to the allowance for doubtful accounts. Receivables expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on contributions is computed at a discount rate approximating the prevailing borrowing rate.

Management believes that all contributions are collectible; therefore, there is no provision for doubtful accounts in the accompanying financial statements. All contributions receivable are expected to be received in the next fiscal year.

**Accounts receivable:** Services performed and billed under contracts but not yet received are shown as accounts receivable. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known trouble accounts. All accounts or portions thereof that are deemed to be uncollectible or that require an excessive collection cost are written off to the allowance for doubtful accounts. Receivables expected to be collected in future years are recorded at the present value of their estimated future cash flows. All balances are considered fully collectible by the Consolidated Entities, therefore no allowance was deemed necessary as of June 30, 2015 and 2014.

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

**Investments:** Investments are stated at fair value and consist of money market funds, certificates of deposits, corporate bonds, and asset backed securities with maturities greater than three months. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. 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 their remaining useful life or remaining lease term, whichever is shorter. The Consolidated Entities capitalize all fixed assets greater than \$1,000.

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

**Notes to Consolidated Financial Statements**

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**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.

Donated services and goods are valued at the vendor's estimated cost of the project. For the years ended June 30, 2015 and 2014, the recognized value of donated services was \$34,330 and \$5,387, respectively. For the years ended June 30, 2015 and 2014, the recognized value of donated software was respectively \$32,120 and \$12,127. Both donated services and goods were included in contributions on the Consolidated Statements of Activities and Changes in Net Assets.

**Contracts:** Fees for service contract revenue is recognized and billed monthly as work is performed. Amounts received in advance are included in deferred revenue on the Consolidated Statements of Financial Position.

**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.

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

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

## **Notes to Consolidated Financial Statements**

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**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.

**Special events:** Special events revenue and expenses are recognized during the year in which the event occurs and are presented net on the Consolidated Statements of Activities and Changes in Net Assets.

**Other income:** Other income includes rental income from subleases, royalties and other miscellaneous income which are recognized as revenue when earned.

**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. The Consolidated Entities are exempt from federal income tax under 501(c)(3) of the Internal Revenue Code, and are all classified as organizations that are not private foundations.

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, 2015 and 2014, 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 2012 through the current year remain open for examination by tax authorities.

**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 27, 2015, which is the date the consolidated financial statements were available to be issued.

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

**Notes to Consolidated Financial Statements**

- 2. Contributions receivable** At June 30, 2015 and 2014, the Consolidated Entities had contributions receivable from corporations and private foundations.

Receivables consist of the following as of June 30:

	<b>2015</b>	2014
Due within one year	\$ 9,061,833	\$ 6,618,378
Contributions receivable, one to five years	<b>1,500,000</b>	4,129,510
Subtotal	<b>10,561,833</b>	10,747,888
Present value discount	<b>(57,428)</b>	(175,940)
<b>Total contributions receivable</b>	<b>\$ 10,504,405</b>	\$ 10,571,948

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>2015</b>	2014
Contributions receivable by The Education Trust	\$ 6,375,180	\$ 7,279,180
Contributions receivable by DQC	<b>4,186,653</b>	3,468,708
Subtotal	<b>10,561,833</b>	10,747,888
Present value discount	<b>(57,428)</b>	(175,940)
<b>Total contributions receivable</b>	<b>\$ 10,504,405</b>	\$ 10,571,948

- 3. Investments** The following is a summary of The Education Trust's investments as of June 30, 2015 and 2014. USED and DQC had no assets included in the investment balances below:

	<b>2015</b>	2014
Money market fund	\$ 1,257,448	\$ 1,519,910
Corporate fixed income	<b>39,211</b>	9,115
Government securities	<b>4,501</b>	47,721
Certificates of deposit	<b>7,055,409</b>	6,434,243
<b>Total investments</b>	<b>\$ 8,356,569</b>	\$ 8,010,989

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

**Notes to Consolidated Financial Statements**

USEDI's investment income results from interest bearing cash accounts 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, 2015 and 2014 consisted of the following:

<b>June 30, 2015</b>	<b>DQC</b>	<b>The Education Trust</b>	<b>USEDI</b>	<b>Total</b>
Interest and dividends	\$ 3,225	\$ 133,672	\$ 20,166	\$ 157,063
Unrealized loss	-	(4,097)	-	(4,097)
<b>Investment income</b>	<b>\$ 3,225</b>	<b>\$ 129,575</b>	<b>\$ 20,166</b>	<b>\$ 152,966</b>

<b>June 30, 2014</b>	<b>DQC</b>	<b>The Education Trust</b>	<b>USEDI</b>	<b>Total</b>
Interest and dividends	\$ 3,078	\$ 61,034	\$ 381	\$ 64,493
Unrealized loss	-	(9,975)	-	(9,975)
<b>Investment income</b>	<b>\$ 3,078</b>	<b>\$ 51,059</b>	<b>\$ 381</b>	<b>\$ 54,518</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;

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. There have been no changes in the fair value methodologies used at June 30, 2015 and 2014.

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

**Notes to Consolidated Financial Statements**

USEDI and DQC had no assets at June 30, 2015 and 2014 that were measured at fair value. 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>Significant Other Unobservable Inputs (Level 3)</b>
<b>June 30, 2015</b>	<b>Total</b>			
Money market fund	\$ 1,257,448	\$ 1,257,448	\$ -	\$ -
Government securities	4,501	-	4,501	-
Corporate fixed income	39,211	-	39,211	-
Certificates of deposit	7,055,409	-	7,055,409	-
<b>Total</b>	<b>\$ 8,356,569</b>	<b>\$ 1,257,448</b>	<b>\$ 7,099,121</b>	<b>\$ -</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>Significant Other Unobservable Inputs (Level 3)</b>
<b>June 30, 2014</b>	<b>Total</b>			
Money market fund	\$ 1,519,910	\$ 1,519,910	\$ -	\$ -
Government securities	9,115	-	9,115	-
Corporate fixed income	47,721	-	47,721	-
Certificates of deposit	6,434,243	-	6,434,243	-
<b>Total</b>	<b>\$ 8,010,989</b>	<b>\$ 1,519,910</b>	<b>\$ 6,491,079</b>	<b>\$ -</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 were developed utilizing 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, 2015 and 2014:

<b>June 30, 2015</b>	<b>The Education Trust</b>	<b>USEDI</b>	<b>DQC</b>	<b>Total</b>
Leasehold improvements	\$ 585,616	\$ 25,559	\$ -	\$ <b>611,175</b>
Furniture and equipment	500,317	103,490	336,118	<b>939,925</b>
Website development	-	-	97,625	<b>97,625</b>
Software	-	-	51,429	<b>51,429</b>
<b>Total</b>	<b>1,085,933</b>	<b>129,049</b>	<b>485,172</b>	<b>1,700,154</b>
Less:				
Accumulated depreciation	(829,128)	(43,010)	(176,477)	<b>(1,048,615)</b>
<b>Net</b>	<b>\$ 265,805</b>	<b>\$ 86,039</b>	<b>\$ 308,695</b>	<b>\$ 651,539</b>
Depreciation expense	\$ 151,817	\$ 17,688	\$ 27,995	\$ <b>197,500</b>
Amortization expense	16,825	-	45,224	<b>62,049</b>
<b>Total depreciation and amortization expense</b>	<b>\$ 168,642</b>	<b>\$ 17,688</b>	<b>\$ 73,219</b>	<b>\$ 259,549</b>
<b>June 30, 2014</b>	<b>The Education Trust</b>	<b>USEDI</b>	<b>DQC</b>	<b>Total</b>
Leasehold improvements	\$ 602,441	\$ -	\$ -	\$ 602,441
Furniture and equipment	653,810	57,880	120,297	831,987
Website development	-	-	97,625	97,625
Software	-	-	19,309	19,309
<b>Total</b>	<b>1,256,251</b>	<b>57,880</b>	<b>237,231</b>	<b>1,551,362</b>
Less:				
Accumulated depreciation	(890,843)	(25,322)	(103,258)	<b>(1,019,423)</b>
<b>Net</b>	<b>\$ 365,408</b>	<b>\$ 32,558</b>	<b>\$ 133,973</b>	<b>\$ 531,939</b>
Depreciation expense	\$ 149,666	\$ 11,525	\$ 26,587	\$ 187,778
Amortization expense	97,069	-	35,997	133,066
<b>Total depreciation and amortization expense</b>	<b>\$ 246,735</b>	<b>\$ 11,525</b>	<b>\$ 62,584</b>	<b>\$ 320,844</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. Operating leases**

The Education Trust is obligated, as lessee, under non-cancelable operating leases for office space in Washington, D.C. through July 21, 2026. 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, 2015 (including the terms of two leases commencing August 1, 2015):

Year Ending June 30,	Amount
2016	\$ 1,361,696
2017	1,988,117
2018	2,070,418
2019	2,132,162
2020	2,199,684
Thereafter	3,439,834
<b>Total</b>	<b>\$ 13,191,911</b>

Total rent expense of The Education Trust for the year ended June 30, 2015 and 2014 was \$1,691,265 and \$1,511,156, respectively.

The Education Trust subleased space to USED1 and DQC under subleases that expired in July 2015. Total rental income received from USED1 during the years ended June 30, 2015 and 2014 was \$446,851 for each year. Total rental income received from DQC during the years ended June 30, 2015 and 2014 was \$230,308 and \$130,950, respectively. The rental income from USED1 and DQC is eliminated upon consolidation.

**7. Capital lease**

The Consolidated Entities currently maintain a capital lease for office equipment expiring in 2016. The minimum lease payment due for the year ending June 30, 2016 is \$4,423. Total equipment under capital lease consists of one copier with a capitalized cost of \$19,063. As of June 30, 2015 and 2014, accumulated depreciation in the Consolidated Statements of Financial Position included \$15,251 and \$11,438, respectively, relating to the leased equipment. For the years ended June 30, 2015 and 2014, depreciation expense reported in the Consolidated Statements of Activities and Changes in Net Assets includes \$3,813 for each year for the equipment under the capital lease.

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

**Notes to Consolidated Financial Statements**

**8. 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; USED I, and DQC.

Temporarily restricted net assets at June 30, 2015 and 2014 were as follows:

	<b>2015</b>	<b>2014</b>
The Education Trust programs	\$ <b>9,812,348</b>	\$ 11,009,412
USED I	<b>124,584</b>	188,273
DQC	<b>4,129,225</b>	3,423,774
<b>Total temporarily restricted net assets</b>	<b>\$ 14,066,157</b>	\$ 14,621,459

**9. Concentration**

Concentrations existed for the Consolidated Entities in support and revenue for the years ended June 30, 2015 and 2014, and contributions receivable as of June 30, 2015 and 2014. Concentrations by entity are as follows:

	<b>2015</b>	<b>2014</b>
The Education Trust support and revenue	45% from three private foundations	57% from one private foundations
The Education Trust contributions receivable	80% from three private foundations	75% from one private foundation
USED I support and revenue	27% from one organization	30% from two private foundations
USED I accounts receivable	45% from three organizations	41% from three organizations
DQC support and revenue	87% from two private foundations	93% from three private foundations
DQC contributions receivable	99% from two private foundations	90% from one private foundation

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

**Notes to Consolidated Financial Statements**

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**10. 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 \$389,330 and \$365,642 to the plan during the years ended June 30, 2015 and 2014, 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 made no contributions to this plan during the years ended June 30, 2015 and 2014.

DQC maintains a 401(k) defined contribution retirement plan. All employees are eligible to participate immediately. DQC makes discretionary contributions of 3% to 6% of each participant's annual salary, and will match up to an additional 3% of an employee's contribution. The participants are vested over a period of five years in accordance with the plan document. DQC contributed \$172,123 and \$160,012 to the plan for the years ended June 30, 2015 and 2014, 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 \$130,644 and \$113,186 to the plan during the years ended June 30, 2015 and 2014, respectively.

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 2014. As of fiscal years end June 30, 2015 and 2014, only one employee elected to participate in the 457(b) plan and USEDI made no matching contributions.

**11. Related party**

USEDI entered into a Memorandum of Understanding under which they earned \$62,044 and \$248,178 from The Education Trust for the years ended June 30, 2015 and 2014, respectively. Related party activity between the Consolidated Entities has been eliminated for consolidated presentation.



## Independent Auditor's Report on Supplementary Information

Board of Directors

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

805 King Farm Boulevard  
Suite 300  
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We have audited the consolidated financial statements of **The Education Trust and its Supporting Organizations (U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)** as of and for the years ended June 30, 2015 and 2014, and have issued our report thereon dated, October 27, 2015, which contained an unmodified opinion on those financial statements. Our audit was 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 are presented for the 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 consolidated 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 27, 2015

# The Education Trust

## Schedules of Financial Position - Stand-Alone Basis

<i>June 30,</i>	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,033,265	\$ 1,523,202
Contributions receivable, current portion	6,375,180	4,612,513
Accounts receivable	112,427	68,293
Prepaid expenses	348,098	268,453
<b>Total current assets</b>	<b>7,868,970</b>	<b>6,472,461</b>
<b>Investments</b>	<b>8,356,569</b>	<b>8,010,989</b>
<b>Contributions receivable, net</b>	<b>-</b>	<b>2,533,334</b>
<b>Property and equipment, net</b>	<b>256,805</b>	<b>365,408</b>
<b>Deposits</b>	<b>110,752</b>	<b>57,315</b>
<b>Total assets</b>	<b>\$ 16,593,096</b>	<b>\$ 17,439,507</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 518,419	\$ 291,649
Accrued expenses	691,274	641,005
Deferred contract revenue	193,853	106,697
Deferred rent, current portion	21,923	265,063
<b>Total current liabilities</b>	<b>1,425,469</b>	<b>1,304,414</b>
<b>Long term liabilities</b>		
Deferred rent, net of current portion	73,069	46,077
<b>Total liabilities</b>	<b>1,498,538</b>	<b>1,350,491</b>
<b>Net assets</b>		
Unrestricted	5,282,210	5,079,604
Temporarily restricted	9,812,348	11,009,412
<b>Total net assets</b>	<b>15,094,558</b>	<b>16,089,016</b>
<b>Total liabilities and net assets</b>	<b>\$ 16,593,096</b>	<b>\$ 17,439,507</b>

The Schedules of Financial Position of The Education Trust - Stand-Alone Basis present 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 on Supplementary Information.

# The Education Trust

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

<i>Years Ended June 30,</i>	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue</b>						
Contributions	\$ 86,145	\$ 10,777,706	\$ 10,863,851	\$ 105,397	\$ 13,108,110	\$ 13,213,507
Grants and contracts	472,173	-	472,173	386,842	-	386,842
Registration fees	99,974	-	99,974	123,217	-	123,217
Program service fees	65,575	-	65,575	72,760	-	72,760
Special event	-	-	-	44,827	-	44,827
Publication and merchandise, net	3,848	-	3,848	1,241	-	1,241
Investment income	129,575	-	129,575	51,059	-	51,059
Other income	63,490	-	63,490	50,304	-	50,304
Net assets released from restrictions	11,974,770	(11,974,770)	-	10,369,875	(10,369,875)	-
<b>Total support and revenue</b>	<b>12,895,550</b>	<b>(1,197,064)</b>	<b>11,698,486</b>	<b>11,205,522</b>	<b>2,738,235</b>	<b>13,943,757</b>
<b>Expenses</b>						
Program services	11,934,726	-	11,934,726	10,410,262	-	10,410,262
Fundraising	444,150	-	444,150	485,012	-	485,012
General and administrative	314,068	-	314,068	292,942	-	292,942
<b>Total expenses</b>	<b>12,692,944</b>	<b>-</b>	<b>12,692,944</b>	<b>11,188,216</b>	<b>-</b>	<b>11,188,216</b>
<b>Change in net assets</b>	<b>202,606</b>	<b>(1,197,064)</b>	<b>(994,458)</b>	<b>17,306</b>	<b>2,738,235</b>	<b>2,755,541</b>
<b>Net assets, beginning of year</b>	<b>5,079,604</b>	<b>11,009,412</b>	<b>16,089,016</b>	<b>5,062,298</b>	<b>8,271,177</b>	<b>13,333,475</b>
<b>Net assets, end of year</b>	<b>\$ 5,282,210</b>	<b>\$ 9,812,348</b>	<b>\$ 15,094,558</b>	<b>\$ 5,079,604</b>	<b>\$ 11,009,412</b>	<b>\$ 16,089,016</b>

The Schedules of Activities and Changes in Net Assets of The Education Trust - Stand-Alone Basis present 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 on Supplementary Information.

# The Education Trust

## Schedule of Functional Expenses - Stand-Alone Basis

Year Ended June 30, 2015

	Program Services												Total Program Services	Fundraising	General and Administrative	2015 Total
	K 12 Praticce	K 12 Policy	Research Department	Higher Education	HE Research & Policy	Communi- -cations	Editorial & Design	Legislative Affairs	Field	EdTrust West	EdTrust Midwest					
Salaries	\$ 109,705	\$ 580,117	\$ 689,994	\$ 302,946	\$ 337,165	\$ 440,322	\$ 512,763	\$ 381,228	\$ 262,679	\$ 1,396,309	\$ 884,700	\$ 5,897,928	\$ 316,121	\$ 185,636	\$ 6,399,685	
Employee benefits	20,477	148,730	157,333	61,893	69,576	94,718	121,795	93,411	64,525	338,668	235,976	1,407,102	71,633	46,086	1,524,821	
Auditing and finance	849	5,495	7,953	3,095	2,808	5,760	5,581	3,394	2,930	13,278	6,975	58,118	-	1,615.0	59,733	
Travel and meetings	44,528	40,632	167,304	43,786	21,435	94,235	29,105	63,657	122,525	178,189	118,502	923,898	-	504.0	924,402	
Consultants and facilitators	186,192	15,701	5,443	71,695	42,649	697,481	8,325	111,719	30,602	350,306	308,318	1,828,431	-	25,717.0	1,854,148	
Depreciation	3,447	14,954	20,351	8,603	8,521	18,109	14,174	10,477	8,204	29,201	15,142	151,183	-	634.0	151,817	
Equipment rental	532	3,759	5,317	1,884	2,114	3,803	3,768	2,422	2,095	7,256	5,544	38,494	-	226.0	38,720	
Insurance	275	2,951	4,253	1,383	1,581	2,693	2,992	1,885	1,599	6,096	3,497	29,205	6,322	268.0	35,795	
Legal	180	1,053	1,591	468	657	1,192	1,153	823	667	2,125	3,270	13,179	-	174	13,353	
Repairs and maintenance	312	1,524	2,031	860	800	1,669	1,326	906	649	3,067	4,140	17,284	-	3,622	20,906	
Miscellaneous	476	2,486	1,760	1,339	1,106	2,231	1,346	1,820	1,764	12,211	7,433	33,972	-	16,110	50,082	
Occupancy	13,081	102,330	117,597	65,851	53,371	92,558	98,687	74,527	54,032	186,212	74,015	932,261	50,074	31,773	1,014,108	
Office supplies	728	4,459	6,001	2,587	2,797	6,227	4,467	2,916	2,797	9,162	28,380	70,521	-	420	70,941	
Postage and shipping	203	389	1,913	178	199	619	668	266	2,448	7,172	5,062	19,117	-	61	19,178	
Printing and design	60	146	1,366	100	235	838	4,342	121	4,344	28,443	11,321	51,316	-	-	51,316	
Professional fees	3,041	7,641	11,429	9,394	29,355	67,923	5,060	27,226	4,808	31,556	23,693	221,126	-	505	221,631	
Subgrants	-	-	-	62,044	-	-	-	-	-	-	-	62,044	-	-	62,044	
Temporary services	-	-	-	-	-	-	-	-	-	28,387	44,053	72,440	-	-	72,440	
Staff development	42	601	1,142	465	63	1,009	111	1,104	83	679	448	5,747	-	190	5,937	
Telephone	1,144	7,279	10,858	4,965	4,156	8,855	6,919	4,932	4,029	34,360	13,863	101,360	-	527	101,887	
Total expenses	\$ 385,272	\$ 940,247	\$ 1,213,636	\$ 643,536	\$ 578,588	\$ 1,540,242	\$ 822,582	\$ 782,834	\$ 570,780	\$ 2,662,677	\$ 1,794,332	\$ 11,934,726	\$ 444,150	\$ 314,068	\$ 12,692,944	

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 on Supplementary Information.

# The Education Trust

## Schedule of Functional Expenses - Stand-Alone Basis

Year Ended June 30, 2014

	Program Services														Total Program Services	Fundraising	General and Administrative	2014 Total										
	K-12 Policy		Research Department	Higher Education	Teacher Quality	Communi- cations	Editorial & Design	Legislative Affairs	Field	EdTrust West	EdTrust Midwest																	
Salaries	\$	469,454	\$	604,094	\$	507,391	\$	170,095	\$	271,961	\$	458,301	\$	417,436	\$	234,896	\$	1,531,029	\$	619,136	\$	5,283,793	\$	340,049	\$	168,713	\$	5,792,555
Employee benefits		114,168		131,006		111,181		37,079		58,795		115,670		108,008		60,771		349,631		152,830		1,239,139		79,946		43,007		1,362,092
Auditing and finance		5,873		6,522		5,612		2,483		3,529		6,195		4,975		3,373		13,444		6,166		58,172		-		1,618		59,790
Travel and meetings		56,461		126,197		109,697		21,190		25,734		24,785		40,324		64,032		186,724		78,868		734,012		-		12,654		746,666
Consultants and facilitators		14,637		10,772		204,506		818		96,259		11,771		110,396		1,339		189,386		170,982		810,866		-		22,644		833,510
Depreciation		13,428		17,269		20,394		4,779		9,428		13,912		12,372		8,176		35,692		14,216		149,666		-		-		149,666
Equipment rental		4,062		5,247		4,470		1,750		2,707		4,575		3,415		2,362		10,289		4,382		43,259		-		-		43,259
Insurance		3,221		3,756		2,535		1,415		2,026		3,513		2,572		1,848		7,042		3,268		31,196		6,801		-		37,997
Legal		1,476		1,755		1,583		600		1,055		1,520		1,323		898		4,234		1,138		15,582		-		80		15,662
Repairs and maintenance		792		990		1,171		272		559		794		735		497		1,787		1,054		8,651		-		273		8,924
Miscellaneous		2,015		1,994		3,518		540		2,479		1,664		1,566		1,155		24,654		7,122		46,707		-		12,465		59,172
Occupancy		100,636		109,654		95,303		36,198		63,997		99,227		89,058		63,585		185,123		61,442		904,223		58,216		29,431		991,870
Office supplies		4,369		4,780		6,230		1,900		2,896		10,454		3,577		2,463		11,584		4,585		52,838		-		203		53,041
Postage and shipping		308		352		478		104		329		381		260		1,055		5,793		2,896		11,956		-		454		12,410
Printing and design		48		4,323		3,215		17		501		19,340		783		1,405		17,048		6,426		53,106		-		-		53,106
Professional fees		7,631		8,773		11,221		492		38,092		2,766		20,841		8,859		28,209		15,905		142,789		-		1,304		144,093
Subgrants		-		-		698,178		-		-		-		-		-		-		-		698,178		-		-		698,178
Temporary services		-		-		-		-		-		-		2,183		-		13,019		8,512		23,714		-		-		23,714
Staff development		23		3,247		701		8		172		212		83		473		1,858		550		7,327		-		49		7,376
Telephone		6,435		7,160		9,672		2,126		3,913		6,110		5,440		4,233		39,751		10,248		95,088		-		47		95,135
Total expenses	\$	805,037	\$	1,047,891	\$	1,797,056	\$	281,866	\$	584,432	\$	781,190	\$	825,347	\$	461,420	\$	2,656,297	\$	1,169,726	\$	10,410,262	\$	485,012	\$	292,942	\$	11,188,216

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 on Supplementary Information.



**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, 2015</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	\$ 1,649,418	\$ 888,585	\$ 1,033,265	\$ -	\$ 3,571,268
Contributions receivable, current portion	2,686,653	-	6,375,180	-	9,061,833
Accounts receivable	35,248	494,415	112,427	(8,000)	634,090
Prepaid expenses	38,238	36,900	348,098	-	423,236
<b>Total current assets</b>	<b>4,409,557</b>	<b>1,419,900</b>	<b>7,868,970</b>	<b>(8,000)</b>	<b>13,690,427</b>
<b>Investments</b>	<b>-</b>	<b>-</b>	<b>8,356,569</b>	<b>-</b>	<b>8,356,569</b>
<b>Contributions receivable, net</b>	<b>1,442,572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,442,572</b>
<b>Property and equipment, net</b>	<b>308,695</b>	<b>86,039</b>	<b>256,805</b>	<b>-</b>	<b>651,539</b>
<b>Deposits</b>	<b>74,891</b>	<b>35,017</b>	<b>110,752</b>	<b>(42,635)</b>	<b>178,025</b>
<b>Total assets</b>	<b>\$ 6,235,715</b>	<b>\$ 1,540,956</b>	<b>\$ 16,593,096</b>	<b>\$ (50,635)</b>	<b>\$ 24,319,132</b>

Refer to Independent Auditor's Report on Supplementary Information.

**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, 2015</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	\$ 158,278	\$ 76,558	\$ 518,419	\$ (8,000)	\$ 745,255
Accrued payroll and other expenses	230,055	92,612	691,274	(42,635)	971,306
Deferred revenue	-	-	193,853	-	193,853
Deferred rent, current portion	-	3,356	21,923	-	25,279
<b>Total current liabilities</b>	<b>388,333</b>	<b>172,526</b>	<b>1,425,469</b>	<b>(50,635)</b>	<b>1,935,693</b>
<b>Long term liabilities</b>					
Deferred rent, net of current portion	-	-	73,069	-	73,069
<b>Total liabilities</b>	<b>388,333</b>	<b>172,526</b>	<b>1,498,538</b>	<b>(50,635)</b>	<b>2,008,762</b>
<b>Net assets</b>					
Unrestricted	516,626	1,243,846	5,282,210	-	7,042,682
Board designated	1,201,531	-	-	-	1,201,531
Total unrestricted net assets	1,718,157	1,243,846	5,282,210	-	8,244,213
Temporarily restricted net assets	4,129,225	124,584	9,812,348	-	14,066,157
<b>Total net assets</b>	<b>5,847,382</b>	<b>1,368,430</b>	<b>15,094,558</b>	<b>-</b>	<b>22,310,370</b>
<b>Total liabilities and net assets</b>	<b>\$ 6,235,715</b>	<b>\$ 1,540,956</b>	<b>\$ 16,593,096</b>	<b>\$ (50,635)</b>	<b>\$ 24,319,132</b>

Refer to Independent Auditor's Report on Supplementary Information.

**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, 2014</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	\$ 2,542,499	\$ 795,657	\$ 1,523,202	\$ -	\$ 4,861,358
Contributions receivable, current portion	2,005,865	-	4,612,513	-	6,618,378
Accounts receivable	-	674,091	68,293	-	742,384
Prepaid expenses	2,224	12,786	268,453	-	283,463
<b>Total current assets</b>	<b>4,550,588</b>	<b>1,482,534</b>	<b>6,472,461</b>	<b>-</b>	<b>12,505,583</b>
<b>Investments</b>	<b>-</b>	<b>-</b>	<b>8,010,989</b>	<b>-</b>	<b>8,010,989</b>
<b>Contributions receivable, net</b>	<b>1,420,236</b>	<b>-</b>	<b>2,533,334</b>	<b>-</b>	<b>3,953,570</b>
<b>Property and equipment, net</b>	<b>133,973</b>	<b>32,558</b>	<b>365,408</b>	<b>-</b>	<b>531,939</b>
<b>Deposits</b>	<b>7,618</b>	<b>35,017</b>	<b>57,315</b>	<b>(42,635)</b>	<b>57,315</b>
<b>Total assets</b>	<b>\$ 6,112,415</b>	<b>\$ 1,550,109</b>	<b>\$ 17,439,507</b>	<b>\$ (42,635)</b>	<b>\$ 25,059,396</b>

Refer to Independent Auditor's Report on Supplementary Information.

**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, 2014</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	\$ 48,359	\$ 61,935	\$ 291,649	\$ -	\$ 401,943
Accrued payroll and other expenses	196,708	83,347	641,005	(42,635)	878,425
Deferred revenue	-	-	106,697	-	106,697
Deferred rent, current portion	-	26,088	265,063	-	291,151
<b>Total current liabilities</b>	<b>245,067</b>	<b>171,370</b>	<b>1,304,414</b>	<b>(42,635)</b>	<b>1,678,216</b>
<b>Long term liabilities</b>					
Deferred rent, net	-	3,356	46,077	-	49,433
<b>Total liabilities</b>	<b>245,067</b>	<b>174,726</b>	<b>1,350,491</b>	<b>(42,635)</b>	<b>1,727,649</b>
<b>Net assets</b>					
Unrestricted	1,293,574	1,187,110	5,079,604	-	7,560,288
Board designated	1,150,000	-	-	-	1,150,000
Temporarily restricted	3,423,774	188,273	11,009,412	-	14,621,459
<b>Total net assets</b>	<b>5,867,348</b>	<b>1,375,383</b>	<b>16,089,016</b>	<b>-</b>	<b>23,331,747</b>
<b>Total liabilities and net assets</b>	<b>\$ 6,112,415</b>	<b>\$ 1,550,109</b>	<b>\$ 17,439,507</b>	<b>\$ (42,635)</b>	<b>\$ 25,059,396</b>

Refer to Independent Auditor's Report on Supplementary Information.

**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, 2015</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	\$ 1,140,929	\$ -	\$ 86,145	\$ -	\$ 1,227,074
Contracts	-	3,862,111	472,173	(62,044)	4,272,240
Program service fees	-	-	65,575	-	65,575
Registration fees	-	-	99,974	-	99,974
Investment income	3,225	20,166	129,575	-	152,966
Other income	3,007	2,050	63,490	-	68,547
Publication and merchandise	-	-	3,848	-	3,848
Net assets released from restrictions	2,003,538	413,689	11,974,770	-	14,391,997
<b>Total support and revenue</b>	<b>3,150,699</b>	<b>4,298,016</b>	<b>12,895,550</b>	<b>(62,044)</b>	<b>20,282,221</b>
<b>Expenses</b>					
Program services	3,201,770	3,759,026	11,934,726	(62,044)	18,833,478
Fundraising	58,587	-	444,150	-	502,737
General and administrative	615,759	482,254	314,068	-	1,412,081
<b>Total expenses</b>	<b>3,876,116</b>	<b>4,241,280</b>	<b>12,692,944</b>	<b>(62,044)</b>	<b>20,748,296</b>
<b>Change in unrestricted net assets</b>	<b>(725,417)</b>	<b>56,736</b>	<b>202,606</b>	<b>-</b>	<b>(466,075)</b>
<b>Changes in temporarily restricted net assets</b>					
Contributions	2,708,989	350,000	10,777,706	-	13,836,695
Net assets released from restrictions	(2,003,538)	(413,689)	(11,974,770)	-	(14,391,997)
<b>Change in temporarily restricted net assets</b>	<b>705,451</b>	<b>(63,689)</b>	<b>(1,197,064)</b>	<b>-</b>	<b>(555,302)</b>
<b>Total change in net assets</b>	<b>(19,966)</b>	<b>(6,953)</b>	<b>(994,458)</b>	<b>-</b>	<b>(1,021,377)</b>
<b>Net assets, beginning of year</b>	<b>5,867,348</b>	<b>1,375,383</b>	<b>16,089,016</b>	<b>-</b>	<b>23,331,747</b>
<b>Net assets, end of year</b>	<b>\$ 5,847,382</b>	<b>\$ 1,368,430</b>	<b>\$ 15,094,558</b>	<b>\$ -</b>	<b>\$ 22,310,370</b>

Refer to Independent Auditor's Report on Supplementary Information.

**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, 2014</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	\$ 1,663,977	\$ 500,000	\$ 105,397	\$ -	\$ 2,269,374
Contracts	-	3,243,220	386,842	(248,178)	3,381,884
Program service fees	-	-	72,760	-	72,760
Registration fees	-	-	123,217	-	123,217
Special event	-	-	44,827	-	44,827
Investment income	3,078	381	51,059	-	54,518
Other income	2,703	11,041	50,304	-	64,048
Publication and merchandise	-	-	1,241	-	1,241
Net assets released from restrictions	500,000	840,727	10,369,875	-	11,710,602
<b>Total support and revenue</b>	<b>2,169,758</b>	<b>4,595,369</b>	<b>11,205,522</b>	<b>(248,178)</b>	<b>17,722,471</b>
<b>Expenses</b>					
Program services	2,951,413	3,664,372	10,410,262	(248,178)	16,777,869
Fundraising	36,016	22,044	485,012	-	543,072
General and administrative	645,237	489,081	292,942	-	1,427,260
<b>Total expenses</b>	<b>3,632,666</b>	<b>4,175,497</b>	<b>11,188,216</b>	<b>(248,178)</b>	<b>18,748,201</b>
<b>Change in unrestricted net assets</b>	<b>(1,462,908)</b>	<b>419,872</b>	<b>17,306</b>	<b>-</b>	<b>(1,025,730)</b>
<b>Changes in temporarily restricted net assets</b>					
Contributions	492,194	879,000	13,108,110	-	14,479,304
Net assets released from restrictions	(500,000)	(840,727)	(10,369,875)	-	(11,710,602)
<b>Change in temporarily restricted net assets</b>	<b>(7,806)</b>	<b>38,273</b>	<b>2,738,235</b>	<b>-</b>	<b>2,768,702</b>
<b>Total change in net assets</b>	<b>(1,470,714)</b>	<b>458,145</b>	<b>2,755,541</b>	<b>-</b>	<b>1,742,972</b>
<b>Net assets, beginning of year</b>	<b>7,338,062</b>	<b>917,238</b>	<b>13,333,475</b>	<b>-</b>	<b>21,588,775</b>
<b>Net assets, end of year</b>	<b>\$ 5,867,348</b>	<b>\$ 1,375,383</b>	<b>\$ 16,089,016</b>	<b>\$ -</b>	<b>\$ 23,331,747</b>

Refer to Independent Auditor's Report on Supplementary Information.