

**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, 2016 AND 2015**

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

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## 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, 2016 and 2015, 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 consolidated 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.

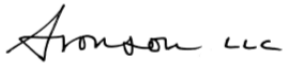
An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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, 2016 and 2015, 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 20, 2016

**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>2016</b>	<b>2015</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 6,527,329	\$ 2,682,683
Contributions receivable, current portion	6,573,054	9,061,833
Accounts receivable	303,354	139,675
Prepaid expenses	355,596	386,336
Assets - discontinued operations, current portion	699,779	1,419,900
<b>Total current assets</b>	<b>14,459,112</b>	<b>13,690,427</b>
<b>Investments</b>	<b>6,177,302</b>	<b>8,356,569</b>
<b>Contributions receivable, net</b>	<b>4,937,914</b>	<b>1,442,572</b>
<b>Property and equipment, net</b>	<b>2,118,591</b>	<b>565,500</b>
<b>Deposits</b>	<b>179,627</b>	<b>143,008</b>
<b>Assets - discontinued operations, net</b>	<b>-</b>	<b>121,056</b>
<b>Total assets</b>	<b>\$ 27,872,546</b>	<b>\$ 24,319,132</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Obligations under capital lease	\$ 3,963	\$ 4,282
Accounts payable	450,631	668,697
Accrued payroll and related expenses	891,917	874,412
Deferred revenue	70,532	193,853
Deferred rent, current portion	193,704	21,923
Liabilities - discontinued operations	699,779	172,526
<b>Total current liabilities</b>	<b>2,310,526</b>	<b>1,935,693</b>
<b>Long-term liabilities</b>		
Obligations under capital lease, net of current portion	13,825	-
Deferred rent, net of current portion	1,933,703	73,069
<b>Total long-term liabilities</b>	<b>1,947,528</b>	<b>73,069</b>
<b>Total liabilities</b>	<b>4,258,054</b>	<b>2,008,762</b>
<b>Net assets</b>		
Unrestricted	5,976,296	7,042,682
Board designated	1,201,531	1,201,531
<b>Total unrestricted net assets</b>	<b>7,177,827</b>	<b>8,244,213</b>
Temporarily restricted net assets	16,436,665	14,066,157
<b>Total net assets</b>	<b>23,614,492</b>	<b>22,310,370</b>
<b>Total liabilities and net assets</b>	<b>\$ 27,872,546</b>	<b>\$ 24,319,132</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>	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue</b>						
Contributions	\$ 1,795,945	\$ 17,474,696	\$ 19,270,641	\$ 1,227,074	\$ 13,486,695	\$ 14,713,769
Contracts	393,321	-	393,321	410,129	-	410,129
Program service fees	90,810	-	90,810	65,575	-	65,575
Registration fees	9,885	-	9,885	99,974	-	99,974
Investment income	85,358	-	85,358	132,800	-	132,800
Other income	12,436	-	12,436	70,345	-	70,345
Net assets released from restrictions	14,979,604	(14,979,604)	-	13,978,308	(13,978,308)	-
<b>Total support and revenue</b>	<b>17,367,359</b>	<b>2,495,092</b>	<b>19,862,451</b>	<b>15,984,205</b>	<b>(491,613)</b>	<b>15,492,592</b>
<b>Expenses</b>						
Program services	15,668,507	-	15,668,507	15,074,452	-	15,074,452
Fundraising	476,001	-	476,001	502,737	-	502,737
General and administrative	1,045,391	-	1,045,391	929,827	-	929,827
<b>Total expenses</b>	<b>17,189,899</b>	<b>-</b>	<b>17,189,899</b>	<b>16,507,016</b>	<b>-</b>	<b>16,507,016</b>
<b>Change in net assets from continuing operations</b>	<b>177,460</b>	<b>2,495,092</b>	<b>2,672,552</b>	<b>(522,811)</b>	<b>(491,613)</b>	<b>(1,014,424)</b>
<b>Change in net assets from discontinued operations</b>	<b>(1,243,846)</b>	<b>(124,584)</b>	<b>(1,368,430)</b>	<b>56,736</b>	<b>(63,689)</b>	<b>(6,953)</b>
<b>Change in net assets</b>	<b>(1,066,386)</b>	<b>2,370,508</b>	<b>1,304,122</b>	<b>(466,075)</b>	<b>(555,302)</b>	<b>(1,021,377)</b>
<b>Net assets, beginning 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>
<b>Net assets, end of year</b>	<b>\$ 7,177,827</b>	<b>\$ 16,436,665</b>	<b>\$ 23,614,492</b>	<b>\$ 8,244,213</b>	<b>\$ 14,066,157</b>	<b>\$ 22,310,370</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>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,304,122	\$ (1,021,377)
<b>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities</b>		
Depreciation and amortization	455,545	241,861
Unrealized (gains) losses on investments	(8,299)	4,097
Loss on disposal of property and equipment	6,127	-
Discount for long-term contributions	159,516	57,428
In-kind contribution - software and furniture	(192,800)	(32,120)
Net cash provided (used) by operating activities of discontinued operations	1,385,680	(1,297,261)
<b>(Increase) decrease in:</b>		
Contributions receivable	(1,166,079)	10,115
Accounts receivable	(163,679)	602,709
Prepaid expenses	30,740	(102,873)
Deposits	(36,619)	(85,693)
<b>Increase (decrease) in:</b>		
Accounts payable	(218,066)	275,069
Accrued payroll and related expenses	17,505	(4,013)
Deferred revenue	(123,321)	87,156
Deferred rent	405,016	(245,592)
<b>Net cash provided (used) by operating activities</b>	<b>1,855,388</b>	<b>(1,510,494)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(177,626)	(243,302)
Purchase of investments	(62,434)	(5,379,023)
Proceeds from redemptions of investments	2,250,000	5,029,346
Net cash used in investing activities of discontinued operations	(17,250)	(71,169)
<b>Net cash provided (used) by investing activities</b>	<b>1,992,690</b>	<b>(664,148)</b>
<b>Cash flows from financing activities</b>		
Repayment of obligations under capital lease	(3,432)	(4,033)
<b>Net change in cash and cash equivalents</b>	<b>3,844,646</b>	<b>(2,178,675)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>2,682,683</b>	<b>4,861,358</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,527,329</b>	<b>\$ 2,682,683</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>2016</b>	<b>2015</b>
<b>Supplemental cash flow information</b>		
Interest paid	\$ 1,018	\$ -
<b>Noncash investing and financing activities</b>		
Property and equipment acquired under capital lease	\$ 21,218	\$ -
Liabilities under previous capital lease released under new lease	\$ 4,280	\$ -
Leasehold improvements reimbursed by landlord	\$ 1,627,399	\$ -
In-kind contribution of software and furniture	\$ 192,800	\$ 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.

**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.

**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. During the year ended June 30, 2016, a decision was made to discontinue the operations of USEDI effective July 31, 2016. As such, USEDI's activities are presented as discontinued operations in the accompanying consolidated financial statements (See Note 12).

# **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, 2016 and 2015.

**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 of 3% to 5%.

Management believes that all contributions are collectible; therefore, there is no provision for doubtful accounts in the accompanying financial statements.

**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, 2016 and 2015.

**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, furniture, and software are valued at the vendor's estimated cost of the project or item. For the years ended June 30, 2016 and 2015, the recognized value of donated services and furniture was \$453,807 and \$34,330, respectively. For the years ended June 30, 2016 and 2015, the recognized value of donated software was respectively \$4,368 and \$32,120. Donated services, furniture, and software 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.

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

# **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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**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, 2016 and 2015, 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 2013 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.

**Reclassification:** Certain 2015 balances have been reclassified to conform with 2016 presentation

**Subsequent events:** Management has evaluated subsequent events for disclosure in these consolidated financial statements through October 20, 2016, 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, 2016 and 2015, the Consolidated Entities had contributions receivable from corporations and private foundations.

Contributions receivables consist of the following as of June 30:

	<u>2016</u>	<u>2015</u>
Due within one year	\$ 6,573,054	\$ 9,061,833
Contributions receivable, one to five years	5,154,858	1,500,000
Subtotal	11,727,912	10,561,833
Present value discount	(216,944)	(57,428)
<b>Total contributions receivable</b>	<b>\$ 11,510,968</b>	<b>\$ 10,504,405</b>

The receivables collectible beyond one year have been discounted to their present value using a discount rate between 3% to 5%.

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

	<u>2016</u>	<u>2015</u>
Contributions receivable by The Education Trust	\$ 4,641,700	\$ 6,375,180
Contributions receivable by DQC	7,086,212	4,186,653
Subtotal	11,727,912	10,561,833
Present value discount	(216,944)	(57,428)
<b>Total contributions receivable</b>	<b>\$ 11,510,968</b>	<b>\$ 10,504,405</b>

- 3. Investments** The following is a summary of The Education Trust's investments as of June 30, 2016 and 2015. USED I and DQC had no assets included in the investment balances below:

	<u>2016</u>	<u>2015</u>
Money market fund	\$ 707,149	\$ 1,257,448
Corporate fixed income	35,245	39,211
Government securities	975	4,501
Certificates of deposit	5,433,933	7,055,409
<b>Total investments</b>	<b>\$ 6,177,302</b>	<b>\$ 8,356,569</b>

**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, 2016 and 2015 consisted of the following:

June 30, 2016	DQC	The Education Trust	Total
Interest and dividends	\$ 5,362	\$ 71,697	\$ 77,059
Unrealized gains	-	8,299	8,299
<b>Investment income</b>	<b>\$ 5,362</b>	<b>\$ 79,996</b>	<b>\$ 85,358</b>

For the year ended June 30, 2016, there was \$361 of interest income attributable to the discontinued operations.

June 30, 2015	DQC	The Education Trust	Total
Interest and dividends	\$ 3,225	\$ 133,672	\$ 136,897
Unrealized loss	-	(4,097)	(4,097)
<b>Investment income</b>	<b>\$ 3,225</b>	<b>\$ 129,575</b>	<b>\$ 132,800</b>

For the year ended June 30, 2015, there was \$20,166 of interest income attributable to the discontinued operations.

**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, 2016 and 2015.

**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, 2016 and 2015 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, 2016</b>	<b>Total</b>			
Money market fund	\$ 707,149	\$ 707,149	\$ -	\$ -
Government securities	975	-	975	-
Corporate fixed income	35,245	-	35,245	-
Certificates of deposit	5,433,933	-	5,433,933	-
<b>Total</b>	<b>\$ 6,177,302</b>	<b>\$ 707,149</b>	<b>\$ 5,470,153</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, 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>



**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, 2016 and 2015:

<b>June 30, 2016</b>	<b>DQC</b>	<b>The Education Trust</b>	<b>Total</b>
Leasehold improvements	\$ 687,040	\$ 1,396,701	<b>\$ 2,083,741</b>
Furniture and equipment	273,903	743,290	<b>1,017,193</b>
Website development	192,545	-	<b>192,545</b>
Software	51,429	-	<b>51,429</b>
<b>Total</b>	<b>1,204,917</b>	<b>2,139,991</b>	<b>3,344,908</b>
Less:			
Accumulated depreciation	(287,570)	(938,747)	<b>(1,226,317)</b>
<b>Net</b>	<b>\$ 917,347</b>	<b>\$ 1,201,244</b>	<b>\$ 2,118,591</b>
Depreciation expense	\$ 40,831	\$ 109,619	<b>\$ 150,450</b>
Amortization expense	110,780	194,315	<b>305,095</b>
<b>Total depreciation and amortization expense</b>	<b>\$ 151,611</b>	<b>\$ 303,934</b>	<b>\$ 455,545</b>

For the year ended June 30, 2016, there was \$28,221 of depreciation expense attributable to the discontinued operations.

<b>June 30, 2015</b>	<b>DQC</b>	<b>The Education Trust</b>	<b>Total</b>
Leasehold improvements	\$ -	\$ 585,616	<b>\$ 585,616</b>
Furniture and equipment	336,118	500,317	<b>836,435</b>
Website development	97,625	-	<b>97,625</b>
Software	51,429	-	<b>51,429</b>
<b>Total</b>	<b>485,172</b>	<b>1,085,933</b>	<b>1,571,105</b>
Less:			
Accumulated depreciation	(176,477)	(829,128)	<b>(1,005,605)</b>
<b>Net</b>	<b>\$ 308,695</b>	<b>\$ 256,805</b>	<b>\$ 565,500</b>

**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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Depreciation expense	\$ 27,995	\$ 151,817	\$ 179,812
Amortization expense	45,224	16,825	62,049
Total depreciation and amortization expense	\$ 73,219	\$ 168,642	\$ 241,861

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For the year ended June 30, 2015, there was \$86,039 of property and equipment, net of accumulated depreciation and related depreciation expense of \$17,688 attributable to the discontinued operations.

**6. Operating leases**

The Education Trust is obligated, as lessee, under non-cancelable operating leases for office space in Washington, D.C. through September 30, 2020. The minimum payments required under the leases are expensed on a pro rata basis over the term of the leases.

DQC is obligated, as a lessee, under a non-cancelable lease for office space in the District of Columbia through July 31, 2026.

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, 2016.

Year Ending June 30,	Amount
2017	\$ 1,796,001
2018	1,843,139
2019	1,786,107
2020	1,787,691
2021	803,358
Thereafter	2,531,543
<b>Total</b>	<b>\$ 10,547,839</b>

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

**Notes to Consolidated Financial Statements**

Total rent expense of the Consolidated Entities for the year ended June 30, 2016 and 2015 was \$1,972,360 and \$1,691,265, 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, 2016 and 2015 was \$40,594 and \$446,851, respectively. Total rental income received from DQC during the years ended June 30, 2016 and 2015 was \$19,239 and \$230,308, 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 July 2020. The minimum lease payments due for future fiscal years are as follows as of June 30, 2016:

<b>Year Ending June 30,</b>	<b>Amount</b>
2017	\$ 4,922
2018	4,922
2019	4,922
2020	4,922
2021	412
Total minimum lease payments	20,100
Less: imputed interest	2,312
Subtotal	17,788
Less: current portion	3,963
<b>Non-current portion</b>	<b>\$ 13,825</b>

Total equipment under capital lease consists of a copier with a capitalized cost of \$21,218 and \$19,063 for the years ended June 30, 2016 and 2015, respectively, accumulated depreciation in the Consolidated Statements of Financial Position included \$3,890 and \$15,251, respectively, relating to the leased equipment. For the years ended June 30, 2016 and 2015, depreciation expense reported in the Consolidated Statements of Activities and Changes in Net Assets includes \$3,890 and \$3,813 for the years ended June 30, 2016 and 2015, respectively, 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, 2016 and 2015 were as follows:

	<b>2016</b>	2015
The Education Trust programs	\$ 9,492,397	\$ 9,812,348
USED I	-	124,584
DQC	<b>6,944,268</b>	4,129,225
<b>Total temporarily restricted net assets</b>	<b>\$ 16,436,665</b>	\$ 14,066,157

**9. Concentration**

Concentrations existed for the Consolidated Entities in support and revenue for the years ended June 30, 2016 and 2015, and contributions receivable as of June 30, 2016 and 2015. Concentrations by entity are as follows:

	<b>2016</b>	2015
The Education Trust support and revenue	25% from two private foundations	45% from three private foundations
The Education Trust contributions receivable	42% from two private foundations	80% from three private foundations
USED I support and revenue	30% from one organization	27% from one organization
USED I accounts receivable	97% from three organizations	45% from three organizations
DQC support and revenue	87% from two private foundations	87% from two private foundations
DQC contributions receivable	90% from two private foundations	99% from two private foundations

# **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 \$437,287 and \$389,330 to the plan during the years ended June 30, 2016 and 2015, 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, 2016 and 2015.

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 \$165,185 and \$172,123 to the plan for the years ended June 30, 2016 and 2015, 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 \$101,767 and \$130,644 to the plan during the years ended June 30, 2016 and 2015, 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 2015. As of fiscal years end June 30, 2016 and 2015, 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 \$72,239 and \$62,044 from The Education Trust for the year ended June 30, 2016 and 2015, respectively. Related party activity between the Consolidated Entities has been eliminated for consolidated presentation.

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

**Notes to Consolidated Financial Statements**

**12. Discontinued operations**

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. During the year ended June 30, 2016, a decision was made to close down the operations of USEDI effective July 31, 2016.

As a result of the decision, at June 30, 2016 and 2015 assets of \$699,779 and \$1,540,956, respectively, and liabilities of \$699,779 and \$172,526 respectively, of the operations are shown separately as discontinued operations in the accompanying Consolidated Statements of Financial Position. The components of these assets and liabilities are as follows:

June 30,	2016	2015
Cash and cash equivalents	\$ 545,888	\$ 888,585
Accounts receivable	56,359	494,415
Prepaid expenses and deposits	96,802	71,917
Inventory	730	-
Property and equipment, net	-	86,039
<b>Total assets – discontinued operations</b>	<b>\$ 699,779</b>	<b>\$ 1,540,956</b>
Accounts payable	\$ 269,709	\$ 76,558
Accrued payroll and related liabilities	26,663	92,612
Tenant rent liability	403,407	-
Deferred rent	-	3,356
<b>Total liabilities – discontinued operations</b>	<b>\$ 699,779</b>	<b>\$ 172,526</b>

The decrease in net assets of \$1,368,430 and \$6,953 for years ended June 30, 2016 and 2015, respectively, are included in the accompanying Consolidated Statements of Activities and Changes in Net Assets as discontinued operations. Components of change in net assets related to discontinued operations are as follows:

Year ended June 30,	2016	2015
Contributions	\$ 690,000	\$ 350,000
Contracts	2,519,482	3,862,111
Interest	361	20,166
Other income	19,838	2,050
Loss on uncollectible pledge	(303,554)	-
Total revenue – discontinued operations	2,926,127	4,234,327
Less: discontinued expenses	4,294,557	4,241,280
<b>Change in net assets from discontinued operations</b>	<b>\$ (1,368,430)</b>	<b>\$ (6,953)</b>



## 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.

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, 2016 and 2015, and have issued our report thereon dated, October 20, 2016, 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 20, 2016

# The Education Trust

## Schedules of Financial Position - Stand-Alone Basis

<i>June 30,</i>	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,344,902	\$ 1,033,265
Contributions receivable, current portion	3,141,700	6,375,180
Accounts receivable	303,354	112,427
Prepaid expenses	352,649	348,098
<b>Total current assets</b>	<b>8,142,605</b>	<b>7,868,970</b>
<b>Investments</b>	<b>6,177,302</b>	<b>8,356,569</b>
<b>Contributions receivable, net</b>	<b>1,425,000</b>	<b>-</b>
<b>Property and equipment, net</b>	<b>1,201,244</b>	<b>256,805</b>
<b>Deposits</b>	<b>112,354</b>	<b>110,752</b>
<b>Total assets</b>	<b>\$ 17,058,505</b>	<b>\$ 16,593,096</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 416,970	\$ 518,419
Accrued expenses	658,696	691,274
Deferred contract revenue	70,532	193,853
Deferred rent, current portion	193,704	21,923
<b>Total current liabilities</b>	<b>1,339,902</b>	<b>1,425,469</b>
<b>Long term liabilities</b>		
Deferred rent, net of current portion	919,294	73,069
<b>Total liabilities</b>	<b>2,259,196</b>	<b>1,498,538</b>
<b>Net assets</b>		
Unrestricted	5,306,912	5,282,210
Temporarily restricted	9,492,397	9,812,348
<b>Total net assets</b>	<b>14,799,309</b>	<b>15,094,558</b>
<b>Total liabilities and net assets</b>	<b>\$ 17,058,505</b>	<b>\$ 16,593,096</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>	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue</b>						
Contributions	\$ 467,165	\$ 11,973,000	\$ 12,440,165	\$ 86,145	\$ 10,777,706	\$ 10,863,851
Grants and contracts	465,650	-	465,650	472,173	-	472,173
Registration fees	9,885	-	9,885	99,974	-	99,974
Program service fees	90,810	-	90,810	65,575	-	65,575
Investment income	79,996	-	79,996	129,575	-	129,575
Other income	8,465	-	8,465	67,338	-	67,338
Net assets released from restrictions	12,292,951	(12,292,951)	-	11,974,770	(11,974,770)	-
<b>Total support and revenue</b>	<b>13,414,922</b>	<b>(319,951)</b>	<b>13,094,971</b>	<b>12,895,550</b>	<b>(1,197,064)</b>	<b>11,698,486</b>
<b>Expenses</b>						
Program services	12,639,575	-	12,639,575	11,934,726	-	11,934,726
Fundraising	421,193	-	421,193	444,150	-	444,150
General and administrative	329,452	-	329,452	314,068	-	314,068
<b>Total expenses</b>	<b>13,390,220</b>	<b>-</b>	<b>13,390,220</b>	<b>12,692,944</b>	<b>-</b>	<b>12,692,944</b>
<b>Change in net assets</b>	<b>24,702</b>	<b>(319,951)</b>	<b>(295,249)</b>	<b>202,606</b>	<b>(1,197,064)</b>	<b>(994,458)</b>
<b>Net assets, beginning 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>
<b>Net assets, end of year</b>	<b>\$ 5,306,912</b>	<b>\$ 9,492,397</b>	<b>\$ 14,799,309</b>	<b>\$ 5,282,210</b>	<b>\$ 9,812,348</b>	<b>\$ 15,094,558</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, 2016

Program Services																
	K 12 Praticce	K-12 Policy	Research Department	Higher Education	HE Research & Policy	HE Research	Communi- -cations	Editorial & Design	Legislative Affairs	Field	EdTrust West	EdTrust Midwest	Total Program Services	Fundraising	General and Administrative	2016 Total
Salaries	\$ 284,567	\$ 480,983	\$ 595,503	\$ 330,179	\$ 364,682	\$ 250,395	\$ 455,740	\$ 494,578	\$ 450,242	\$ 223,934	\$ 1,487,278	\$ 1,199,721	\$ 6,617,802	\$ 291,023	\$ 132,700	\$ 7,041,525
Employee benefits	58,032	121,161	143,725	62,263	75,418	56,314	88,966	113,863	106,718	50,380	352,993	317,885	1,547,718	68,303	36,662	1,652,683
Auditing and finance	2,362	5,768	7,330	1,664	2,623	1,169	5,293	6,135	4,999	1,763	13,626	9,207	61,939	-	10	61,949
Travel and meetings	174,870	20,832	56,774	64,890	10,025	10,427	27,368	14,710	25,053	14,312	186,075	111,467	716,803	-	2,658	719,461
Consultants and facilitators	407,013	126,859	25,975	9,269	9,907	70,403	69,294	15,848	102,961	6,661	230,233	151,983	1,226,406	-	94,060	1,320,466
Depreciation	15,066	33,701	42,994	10,072	16,889	10,113	38,274	40,666	32,422	13,616	21,246	11,953	287,012	-	96	287,108
Equipment rental	1,385	3,090	3,897	942	1,526	954	3,453	3,673	2,929	1,253	8,833	4,790	36,725	-	-	36,725
Insurance	911	2,683	3,512	702	1,267	725	2,945	3,246	2,515	1,058	6,902	14,507	40,973	5,821	35	46,829
Legal	654	992	1,242	512	595	259	927	954	912	423	2,852	3,706	14,028	-	87	14,115
Repairs and maintenance	5,380	10,342	11,048	4,400	5,888	7,531	14,710	13,766	9,538	4,209	4,517	4,835	96,164	-	-	96,164
Miscellaneous	1,964	750	891	235	269	165	1,859	760	732	274	6,010	3,702	17,611	-	19,109	36,720
Occupancy	43,661	117,111	143,167	56,307	66,105	52,327	116,376	121,704	99,487	40,088	189,398	89,820	1,135,551	56,046	30,875	1,222,472
Office supplies	11,612	13,790	15,677	8,184	8,848	6,761	15,941	14,483	12,602	5,372	40,176	26,958	180,404	-	12,282	192,686
Postage and shipping	1,579	373	1,004	1,383	304	96	433	424	360	185	6,432	3,832	16,405	-	8	16,413
Printing and design	399	253	267	341	143	117	788	3,521	223	93	43,215	17,688	67,048	-	-	67,048
Professional fees	11,568	12,123	18,377	8,483	9,673	5,000	109,756	10,259	42,555	10,235	61,296	42,085	341,410	-	476	341,886
Subgrants	-	66,664	-	-	-	-	-	-	-	-	-	-	66,664	-	-	66,664
Temporary services	1,548	2,637	3,124	992	1,824	1,863	4,437	4,024	2,875	1,316	6,120	20,258	51,018	-	-	51,018
Staff development	1,709	1,711	2,434	1,435	965	794	2,781	1,462	2,813	630	4,973	4,446	26,153	-	394	26,547
Telephone	3,860	7,271	8,779	2,993	3,578	2,098	8,035	7,693	6,769	3,017	21,367	16,281	91,741	-	-	91,741
<b>Total expenses</b>	<b>\$ 1,028,140</b>	<b>\$ 1,029,094</b>	<b>\$ 1,085,720</b>	<b>\$ 565,246</b>	<b>\$ 580,529</b>	<b>\$ 477,511</b>	<b>\$ 967,376</b>	<b>\$ 871,769</b>	<b>\$ 906,705</b>	<b>\$ 378,819</b>	<b>\$ 2,693,542</b>	<b>\$ 2,055,124</b>	<b>\$ 12,639,575</b>	<b>\$ 421,193</b>	<b>\$ 329,452</b>	<b>\$ 13,390,220</b>

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, 2015

	Program Services												Total Program Services	Fundraising	General and Administrative	2015 Total
			Research	Higher	HE Research	Communi	Editorial &	Legislative		EdTrust	EdTrust					
	K 12 Prtice	K 12 Policy	Department	Education	& Policy	-cations	Design	Affairs	Field	West	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	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	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	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	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	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	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 and its Supporting Organizations**  
**(U.S. Education Delivery Institute, Inc. and Data Quality Campaign, Inc.)**

**Consolidating Schedule of Financial Position**

<i>June 30, 2016</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	\$ 2,182,427	\$ -	\$ 4,344,902	\$ -	\$ 6,527,329
Contributions receivable, current portion	3,431,354	-	3,141,700	-	6,573,054
Accounts receivable	-	-	303,354	-	303,354
Prepaid expenses	2,947	-	352,649	-	355,596
Assets - discontinued operations	-	699,779	-	-	699,779
<b>Total current assets</b>	<b>5,616,728</b>	<b>699,779</b>	<b>8,142,605</b>	<b>-</b>	<b>14,459,112</b>
<b>Investments</b>	<b>-</b>	<b>-</b>	<b>6,177,302</b>	<b>-</b>	<b>6,177,302</b>
<b>Contributions receivable, net</b>	<b>3,512,914</b>	<b>-</b>	<b>1,425,000</b>	<b>-</b>	<b>4,937,914</b>
<b>Property and equipment, net</b>	<b>917,347</b>	<b>-</b>	<b>1,201,244</b>	<b>-</b>	<b>2,118,591</b>
<b>Deposits</b>	<b>67,273</b>	<b>-</b>	<b>112,354</b>	<b>-</b>	<b>179,627</b>
<b>Total assets</b>	<b>\$ 10,114,262</b>	<b>\$ 699,779</b>	<b>\$ 17,058,505</b>	<b>\$ -</b>	<b>\$ 27,872,546</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, 2016</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>					
Obligations under capital lease	\$ 3,963	\$ -	\$ -	\$ -	\$ 3,963
Accounts payable	33,660	-	416,971	-	450,631
Accrued payroll and other expenses	233,221	-	658,696	-	891,917
Deferred revenue	-	-	70,532	-	70,532
Deferred rent, current portion	-	-	193,704	-	193,704
Liabilities - discontinued operations	-	699,779	-	-	699,779
<b>Total current liabilities</b>	<b>270,844</b>	<b>699,779</b>	<b>1,339,903</b>	<b>-</b>	<b>2,310,526</b>
<b>Long term liabilities</b>					
Obligations under capital lease, net of current portion	13,825	-	-	-	13,825
Deferred rent, net of current portion	1,014,409	-	919,294	-	1,933,703
<b>Total long term liabilities</b>	<b>1,028,234</b>	<b>-</b>	<b>919,294</b>	<b>-</b>	<b>1,947,528</b>
<b>Total liabilities</b>	<b>1,299,078</b>	<b>699,779</b>	<b>2,259,197</b>	<b>-</b>	<b>4,258,054</b>
<b>Net assets</b>					
Unrestricted	669,385	-	5,306,911	-	5,976,296
Board designated	1,201,531	-	-	-	1,201,531
Total unrestricted net assets	1,870,916	-	5,306,911	-	7,177,827
Temporarily restricted net assets	6,944,268	-	9,492,397	-	16,436,665
<b>Total net assets</b>	<b>8,815,184</b>	<b>-</b>	<b>14,799,308</b>	<b>-</b>	<b>23,614,492</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,114,262</b>	<b>\$ 699,779</b>	<b>\$ 17,058,505</b>	<b>\$ -</b>	<b>\$ 27,872,546</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>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 1,649,418	\$ -	\$ 1,033,265	\$ -	\$ 2,682,683
Contributions receivable, current portion	2,686,653	-	6,375,180	-	9,061,833
Accounts receivable	35,248	-	112,427	(8,000)	139,675
Prepaid expenses	38,238	-	348,098	-	386,336
Assets - discontinued operations, current portion	-	1,419,900	-	-	1,419,900
<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>-</b>	<b>256,805</b>	<b>-</b>	<b>565,500</b>
<b>Deposits</b>	<b>74,891</b>	<b>-</b>	<b>110,752</b>	<b>(42,635)</b>	<b>143,008</b>
<b>Assets - discontinued operations, net</b>	<b>-</b>	<b>121,056</b>	<b>-</b>	<b>-</b>	<b>121,056</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	\$ -	\$ 518,419	\$ (8,000)	\$ 668,697
Accrued payroll and other expenses	230,055	-	691,274	(42,635)	878,694
Deferred revenue	-	-	193,853	-	193,853
Deferred rent, current portion	-	-	21,923	-	21,923
Liabilities - discontinued operations	-	172,526	-	-	172,526
<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	-	-	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
	1,718,157	1,243,846	5,282,210	-	8,244,213
Temporarily restricted	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 Activities and Changes in Net Assets**

<i>Year Ended June 30, 2016</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	\$ 1,328,781	\$ -	\$ 467,164	\$ -	\$ 1,795,945
Contracts	-	-	465,650	(72,329)	393,321
Program service fees	-	-	90,810	-	90,810
Registration fees	-	-	9,885	-	9,885
Investment income	5,362	-	79,996	-	85,358
Other income	3,971	-	8,465	-	12,436
Net assets released from restrictions	2,686,653	-	12,292,951	-	14,979,604
<b>Total support and revenue</b>	<b>4,024,767</b>	<b>-</b>	<b>13,414,921</b>	<b>(72,329)</b>	<b>17,367,359</b>
<b>Expenses</b>					
Program services	3,101,261	-	12,639,575	(72,329)	15,668,507
Fundraising	54,808	-	421,193	-	476,001
General and administrative	715,939	-	329,452	-	1,045,391
<b>Total expenses</b>	<b>3,872,008</b>	<b>-</b>	<b>13,390,220</b>	<b>(72,329)</b>	<b>17,189,899</b>
<b>Change in unrestricted net assets from discontinued operations</b>	<b>-</b>	<b>(1,243,846)</b>	<b>-</b>	<b>-</b>	<b>(1,243,846)</b>
<b>Change in unrestricted net assets</b>	<b>152,759</b>	<b>(1,243,846)</b>	<b>24,701</b>	<b>-</b>	<b>(1,066,386)</b>
<b>Changes in temporarily restricted net assets</b>					
Contributions	5,501,696	-	11,973,000	-	17,474,696
Net assets released from restrictions	(2,686,653)	-	(12,292,951)	-	(14,979,604)
Change in temporarily restricted net assets from discontinued operations	-	(124,584)	-	-	(124,584)
<b>Change in temporarily restricted net assets</b>	<b>2,815,043</b>	<b>(124,584)</b>	<b>(319,951)</b>	<b>-</b>	<b>2,370,508</b>
<b>Change in net assets from continuing operations</b>	<b>2,967,802</b>	<b>-</b>	<b>(295,250)</b>	<b>-</b>	<b>2,672,552</b>
<b>Change in net assets from discontinued operations</b>	<b>-</b>	<b>(1,368,430)</b>	<b>-</b>	<b>-</b>	<b>(1,368,430)</b>
<b>Total change in net assets</b>	<b>2,967,802</b>	<b>(1,368,430)</b>	<b>(295,250)</b>	<b>-</b>	<b>1,304,122</b>
<b>Net assets, beginning 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>
<b>Net assets, end of year</b>	<b>\$ 8,815,184</b>	<b>\$ -</b>	<b>\$ 14,799,308</b>	<b>\$ -</b>	<b>\$ 23,614,492</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	-	-	472,173	(62,044)	410,129
Program service fees	-	-	65,575	-	65,575
Registration fees	-	-	99,974	-	99,974
Investment income	3,225	-	129,575	-	132,800
Other income	3,007	-	67,338	-	70,345
Net assets released from restrictions	2,003,538	-	11,974,770	-	13,978,308
<b>Total support and revenue</b>	<b>3,150,699</b>	<b>-</b>	<b>12,895,550</b>	<b>(62,044)</b>	<b>15,984,205</b>
<b>Expenses</b>					
Program services	3,201,770	-	11,934,726	(62,044)	15,074,452
Fundraising	58,587	-	444,150	-	502,737
General and administrative	615,759	-	314,068	-	929,827
<b>Total expenses</b>	<b>3,876,116</b>	<b>-</b>	<b>12,692,944</b>	<b>(62,044)</b>	<b>16,507,016</b>
<b>Change in unrestricted net assets from discontinued operations</b>	<b>-</b>	<b>56,736</b>	<b>-</b>	<b>-</b>	<b>56,736</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	-	10,777,706	-	13,486,695
Net assets released from restrictions	(2,003,538)	-	(11,974,770)	-	(13,978,308)
Change in temporarily restricted net assets from discontinued operations	-	(63,689)	-	-	(63,689)
<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>Change in net assets from continuing operations</b>	<b>(19,966)</b>	<b>-</b>	<b>(994,458)</b>	<b>-</b>	<b>(1,014,424)</b>
<b>Change in net assets from discontinued operations</b>	<b>-</b>	<b>(6,953)</b>	<b>-</b>	<b>-</b>	<b>(6,953)</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.