Combined Financial Statements and Supplemental Information

The May Institute, Inc. and Affiliates

June 30, 2010 and 2009

MHM
Mayer Hoffman McCann P.C.
An Independent CPA Firm
Tofias New England Division

THE MAY INSTITUTE, INC. AND AFFILIATES

Combined Financial Statements and Supplemental Information

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Independent Auditors' Report

Boards of Trustees
The May Institute, Inc. and Affiliates
Randolph, Massachusetts

We have audited the accompanying combined statement of financial position of The May Institute, Inc. and Affiliates (the "Organization") as of June 30, 2010, and the related combined statements of activities, functional expenses and cash flows for the year then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The prior year's summarized financial information has been derived from the Organization's fiscal year 2009 combined financial statements, and in our report dated December 11, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The May Institute, Inc. and Affiliates as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Mayer Hoffman McCann P.C.

December 10, 2010
Cambridge, Massachusetts

THE MAY INSTITUTE, INC. AND AFFILIATES

Combined Statements of Financial Position

	June 30, 2010	June 30, 2009
Assets		
Cash and cash equivalents	$ 6,160,229	$ 2,544,352
Escrow deposits	1,930,284	1,946,973
Accounts receivable, net of allowance for doubtful accounts	7,576,455	7,092,446
Prepaid and deferred expenses	63,090	156,886
Investments	4,870,304	5,284,892
Deposits	419,101	410,950
Loan origination costs, less accumulated amortization	23,586	24,811
Capitalized interest costs, less accumulated amortization	41,753	43,922
Bond issuance costs, less accumulated amortization	689,258	722,678
Property, plant and equipment, at cost, less accumulated depreciation and amortization	32,376,360	33,786,064
Construction in progress	364,377	110,781
Total assets	**$ 54,514,797**	**$ 52,124,755**
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 1,067,151	$ 1,280,291
Accrued expenses	4,852,122	4,554,179
Deferred revenue	705,524	726,068
Third-party payor settlements	569,435	1,094,435
Estimated third-party payor liabilities	91,554	409,554
Line-of-credit	3,430,110	3,123,609
Interest rate swap agreement	925,138	652,715
Mortgage notes payable	6,499,192	6,070,666
Bonds payable, net of unamortized discount	18,650,273	19,108,455
Total liabilities	**36,790,499**	**37,019,972**
Net assets:		
Unrestricted	16,351,762	13,489,816
Temporarily restricted	1,371,536	1,613,967
Permanently restricted	1,000	1,000
Total net assets	**17,724,298**	**15,104,783**
Total liabilities and net assets	**$ 54,514,797**	**$ 52,124,755**

See accompanying notes to the combined financial statements.

THE MAY INSTITUTE, INC. AND AFFILIATES

Combined Statements of Activities

Year Ended June 30, 2010
(With Summarized Financial Information for June 30, 2009)

	Unrestricted	*Temporarily Restricted*	*Permanently Restricted*	*2010 Total*	*2009 Total*
Revenues, gains, losses and other support:					
Tuition	$ 34,146,517	$ -	$ -	$ 34,146,517	$ 31,951,371
Contract revenue	50,732,611	-	-	50,732,611	53,474,842
Consulting and management services	4,193,840	-	-	4,193,840	4,520,272
Third-party fees - net of free services and contractual adjustments	8,449,000	-	-	8,449,000	6,406,929
Consumer revenue	4,024,656	-	-	4,024,656	4,211,344
Other program revenue	796,038	314,325	-	1,110,363	901,096
Contributions, grants and subsidies	906,424	-	-	906,424	1,111,472
Interest income	190,882	-	-	190,882	284,758
Net gain (loss) on investment transactions	443,937	-	-	443,937	(625,609)
Unrealized loss on interest rate swap agreement	(272,423)	-	-	(272,423)	(380,105)
Gains on sales of property and equipment	173,360	-	-	173,360	144,260
Gains on sale-leaseback transactions	-	-	-	-	2,745,013
Other sources	89,656	-	-	89,656	392,342
Net assets released from restrictions	556,756	(556,756)	-	-	-
Total revenues, gains, losses and other support	**104,431,254**	**(242,431)**	**-**	**104,188,823**	**105,137,985**
Expenses:					
The May Institute, Inc. Program Services:					
Educational Services	27,161,321	-	-	27,161,321	27,080,441
Residential and Day Services	45,206,439	-	-	45,206,439	43,174,840
Consulting and Home Based Services	4,940,336	-	-	4,940,336	6,655,228
Special Projects	2,354,494	-	-	2,354,494	2,250,924
Behavioral Health Services	6,773,502	-	-	6,773,502	9,520,312
Greater Springfield Residences, Inc. Program Services	69,431	-	-	69,431	64,757
The May-West Roxbury Residences, Inc. Program Services	71,970	-	-	71,970	53,037
The Bay School, Inc. Program Services	3,334,256	-	-	3,334,256	3,430,023
National Autism Center, Inc. Program Services	177,401	-	-	177,401	5,047
Total program services	**90,089,150**	**-**	**-**	**90,089,150**	**92,234,609**
Management and general	11,148,087	-	-	11,148,087	12,675,303
Fundraising	332,071	-	-	332,071	347,443
Total expenses	**101,569,308**	**-**	**-**	**101,569,308**	**105,257,355**
Change in net assets	**2,861,946**	**(242,431)**	**-**	**2,619,515**	**(119,370)**
Net assets at beginning of year	13,489,816	1,613,967	1,000	15,104,783	15,224,153
Net assets at end of year	**$ 16,351,762**	**$ 1,371,536**	**$ 1,000**	**$ 17,724,298**	**$ 15,104,783**

See accompanying notes to the combined financial statements

THE MAY INSTITUTE, INC. AND AFFILIATES

Combined Statement of Functional Expenses

Year Ended June 30, 2010

	The May Institute, Inc.					
	Educational Services	*Residential and Day Services*	*Consulting and Home Based Services*	*Special Projects*	*Behavioral Health Services*	*Balance Forward*
Salaries and wages	$ 18,389,755	$ 29,225,475	$ 3,599,437	$ 1,025,416	$ 3,873,925	$ 56,114,008
Employee benefits and payroll taxes	3,403,991	5,457,624	655,709	166,749	843,403	10,527,476
Total payroll and employee benefits	21,793,746	34,683,099	4,255,146	1,192,165	4,717,328	66,641,484
Professional fees and contracted services	478,868	477,492	179,485	484,977	56,414	1,677,236
Occupancy	2,053,519	4,767,238	126,881	197,666	1,020,618	8,165,922
Supplies	471,074	899,339	57,598	64,792	161,408	1,654,211
Transportation	410,513	2,058,939	194,757	39,691	227,114	2,931,014
Dietary expense	459,714	1,021,061	2,498	952	205,548	1,689,773
Interest expense	593,778	432,218	-	-	22,112	1,048,108
Depreciation and amortization	777,331	461,663	15,947	10,996	66,956	1,332,893
Other	122,778	405,390	108,024	363,255	296,004	1,295,451
Total expenses	**$ 27,161,321**	**$ 45,206,439**	**$ 4,940,336**	**$ 2,354,494**	**$ 6,773,502**	**$ 86,436,092**

See accompanying notes to the combined financial statements

THE MAY INSTITUTE, INC. AND AFFILIATES

Combined Statement of Functional Expenses (Continued)

Year Ended June 30, 2010

	Balance Forward	*Greater Springfield Residences, Inc.*	*The May-West Roxbury Residences, Inc.*	*The Bay School, Inc.*	*National Autism Center, Inc.*	*Total Program Services*	*Management and General*	*Fundraising*	*Total Expenses*
Salaries and wages	$ 56,114,008	$ 4,826	$ -	$ 2,078,738	$ -	$ 58,197,572	$ 5,902,525	$ 225,263	$ 64,325,360
Employee benefits and payroll taxes	10,527,476	-	-	452,596	-	10,980,072	1,179,839	46,176	12,206,087
Total payroll and employee benefits	66,641,484	4,826	-	2,531,334	-	69,177,644	7,082,364	271,439	76,531,447
Professional fees and contracted services	1,677,236	-	-	85,638	-	1,762,874	858,542	-	2,621,416
Occupancy	8,165,922	41,085	30,730	434,890	-	8,672,627	1,111,806	3,989	9,788,422
Supplies	1,654,211	-	-	69,555	-	1,723,766	330,601	8,176	2,062,543
Transportation	2,931,014	-	-	93,259	-	3,024,273	593,705	125	3,618,103
Dietary expense	1,689,773	-	-	22,223	-	1,711,996	36,720	-	1,748,716
Interest expense	1,048,108	-	-	-	-	1,048,108	441,831	-	1,489,939
Depreciation and amortization	1,332,893	23,520	28,917	65,894	-	1,451,224	509,358	-	1,960,582
Other	1,295,451	-	12,323	31,463	177,401	1,516,638	183,160	48,342	1,748,140
Total expenses	**$ 86,436,092**	**$ 69,431**	**$ 71,970**	**$ 3,334,256**	**$ 177,401**	**$ 90,089,150**	**$ 11,148,087**	**$ 332,071**	**$ 101,569,308**

THE MAY INSTITUTE, INC. AND AFFILIATES

Combined Statements of Cash Flows

Year Ended June 30,

		2010		2009
Cash flows from operating activities:				
Change in net assets	$	2,619,515	$	(119,370)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation and amortization		1,960,582		1,897,998
Non-cash interest expense		18,987		19,410
Net (gains) losses on investment transactions		(440,283)		625,609
Unrealized loss on interest rate swap agreement		272,423		380,105
Loss on disposal of assets		10,428		964
Gain on sale-leaseback transactions		-		(2,745,013)
Change in:				
Accounts receivable		(484,009)		405,798
Pledge receivables		-		25,000
Prepaid and deferred expenses		93,796		1,162,502
Deposits		(8,151)		(7,130)
Accounts payable		(213,140)		(253,599)
Accrued expenses		297,943		(686,685)
Deferred revenue		(20,544)		(27,033)
Third-party payor settlements and estimated third-party payor liabilities		(843,000)		(907,262)
Net cash provided by (used in) operating activities		**3,264,547**		**(228,706)**
Cash flows from investing activities:				
Purchase of property, plant and equipment		(526,661)		(3,952,618)
Proceeds from investment sales		1,517,559		2,508,931
Net purchases of investments		(662,688)		(277,101)
Change in escrow deposits		16,689		484,010
Change in construction in progress		(253,596)		828,035
Net cash provided by (used in) investing activities		**91,303**		**(408,743)**
Cash flows from financing activities:				
Proceeds from mortgage notes payable		700,000		1,648,000
Repayments of mortgage notes payable		(271,474)		(226,262)
Repayments of bonds payable		(475,000)		(450,000)
Net advance (payment) on line-of-credit		306,501		(128,248)
Net cash provided by financing activities		**260,027**		**843,490**
Net increase in cash and equivalents		**3,615,877**		**206,041**
Cash and cash equivalents at beginning of year		2,544,352		2,338,311
Cash and cash equivalents at end of year	**$**	**6,160,229**	**$**	**2,544,352**
Supplemental disclosure of cash flow information:				
Cash paid during the year for interest	$	1,494,687	$	1,513,342

See accompanying notes to the combined financial statements.

Note 1 - Nature of Activities and Significant Accounting Policies

Nature of Activities

The May Institute, Inc. and Affiliates (the "Organization") are not-for-profit organizations established for the purpose of providing educational and rehabilitative services for individuals and the families of individuals with autism, developmental disabilities, behavior disorders, and mental illness.

A summary of the Organization's significant accounting policies follows:

Basis of Combination

The combined financial statements include the accounts of The May Institute, Inc. ("May"), May Professional Associates, Inc., Greater Springfield Residences, Inc., The May-West Roxbury Residences, Inc., The Bay School, and National Autism Center, Inc. These corporations are under common management and control. All significant intercompany account balances and transactions have been eliminated in combination.

Classification and Reporting of Net Assets

The Organization classifies net assets into three net asset classes according to donor-imposed restrictions. A description of the three net asset classes follows:

- Unrestricted net assets represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenue and expenses during the reporting period. The combined financial statements include estimates for third-party payor settlements, allowances for uncollectible accounts, the fair value of interest rate swap agreement, and estimated useful lives for property, plant and equipment. Actual results could differ from those estimates.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization defines cash equivalents as short-term highly liquid investments with original maturities of three months or less. Cash equivalents held by investment managers are considered part of investments given the expectation of near term reinvestment. The Organization maintains cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

Escrow Deposits

Escrow deposits represent the debt service reserve funds related to tax-exempt bond issuances and escrow accounts required to be maintained by HUD. These amounts are carried at fair value as described later in this section.

Accounts Receivable

Accounts receivable are carried at their net realizable value. Accounts receivable consists mainly of accounts receivable from third-party payor sources and grants and contracts receivable from state and local governments. Accounts receivables where a third-party payor is responsible for paying the amount are carried at the original charge for the service provided. Consumer receivables due directly from the consumers are carried at the original charge for services provided. Grants and contracts receivable are carried at original invoice amount.

Management determines the allowance for doubtful accounts by regularly evaluating individual receivables and considering the services provided and the current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as an increase to the allowance for doubtful accounts when received.

Investments and Investment Income

Investments are carried at fair value. Fair value is determined as per the fair value policies described later in this section. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in revenues, gains, losses and other support.

Amortization

Loan origination costs, capitalized interest costs, and bond issuance costs are being amortized over thirty years on a straight-line basis. Amortization expense for each of the next five years will amount to $36,814, and $570,527 to be amortized thereafter.

Property and Equipment and Depreciation

Property and equipment are recorded at cost except for contributed assets, which are recorded at estimated fair value at the date of gift.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Property and Equipment and Depreciation (Continued)

Depreciation and amortization of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

Buildings and building improvements	20 - 27.5 years
Leasehold improvements	5 years - term of lease which ever is greater
Furniture and fixtures	3 - 7 years
Equipment	3 - 10 years
Motor vehicles	3 - 5 years

Expenditures for major renewals and improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred.

Construction in Progress

Costs associated with the construction of major projects are accumulated until completion. The completed asset is then depreciated over its useful life after being placed in service.

Bond Issuance Costs

Costs incurred in connection with procuring long-term bond financing, consisting primarily of legal fees and underwriting costs, are deferred and amortized over the life of the related bond payable.

Revenue Recognition

All of the Organization’s students and consumers are primarily supported by state municipalities, Massachusetts and Connecticut Departments of Developmental Services, and Florida Medicaid. The Organization is subject to the regulations and rate formulas of the various funding agencies. Revenue is being recorded at the Organization’s rates of reimbursement as certified by the applicable funding agencies.

Excess of revenue over expenses from Commonwealth of Massachusetts supported programs, up to certain defined limits, can be utilized by the Organization for expenditures in accordance with its exempt purposes, provided such expenditures are reimbursable under the Operational Services Division regulations. Amounts in excess of these limits are subject to negotiated use or potential recoupment and are reported as a liability.

Interest Rate Swap Agreement

The Organization reports the value of its interest rate at fair value. Fair value is determined as per the fair value policies as described later in this section.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Contributions

Contributions, including unconditional promises to give, are recorded at fair value in the period received or initially pledged. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution and nature of fund raising activities.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class. Contributions received with donor-imposed restrictions that are met subsequent to the year in which they are received are reported as revenues of the temporarily restricted net asset class when they are received. A reclassification to unrestricted net assets is made to reflect the expiration of such restrictions in the year the restriction is met.

Contributions of land, buildings and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire land, buildings and equipment with stipulations are reported as revenues of the temporarily restricted net asset class. The restrictions are considered to be released at the time of acquisition of such long-lived assets.

Contributions of services are reported as revenues and expenses of the unrestricted net asset class at the fair value of the services received only if the services create or enhance a nonfinancial asset or would typically need to be purchased, require specialized skills, and be provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenues and expenses of the unrestricted net asset class at the time the goods or space is received.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Fair Value Measurements

The Organization reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. In addition, the Organization reports certain investments using the net asset value per share as determined by investment managers under the so called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. Fair value standards also require the Organization to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include listed equity and debt securities publicly traded on a stock exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Organization's financial instruments, see Note 5 – Fair Value Measurements.

Income Tax Status

May, May Professional Associates, Inc., Greater Springfield Residences, Inc., The Bay School and National Autism Center, Inc. are recognized under Section 501(c)(3) of the Internal Revenue Code and are generally exempt from Federal and state income taxes. May-West Roxbury Residences is recognized under Section 501(c)(9) of the Internal Revenue Service Code and is generally exempt from Federal and state income taxes. Accordingly, no provision for income taxes is made in the financial statements.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as a tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdictions. The Organization’s Federal and state tax returns are generally open for examination for three years following the date filed.

Advertising

The Organization expenses advertising costs as incurred.

Reclassifications

Certain amounts in the 2009 financial statements have been reclassified to conform to the 2010 financial statements presentation.

Subsequent Events

The Organization has evaluated subsequent events through December 10, 2010, the date the financial statements were authorized to be issued.

Note 2 - Escrow Deposits

Escrow deposits consist of the following at June 30:

	2010	*2009*
Debt service reserve fund	$ 1,184,766	$ 1,185,217
Debt service fund	686,421	685,730
HUD required escrow accounts	50,615	36,727
Construction/project fund	-	34,180
Capitalized interest fund	7,180	3,818
Other	1,302	1,301
	$ 1,930,284	**$ 1,946,973**

Note 3 - Accounts Receivable

Accounts receivable are reported in the combined financial statements net of an allowance for doubtful accounts totaling $721,099 and $566,714 at June 30, 2010 and 2009, respectively.

Note 4 - Investments

The fair value of investments consists of the following at June 30:

	2010	2009
Mutual funds	$ 4,608,046	$ 5,078,773
Fidelity cash and cash reserves	258,595	203,908
Stocks	3,663	2,211
	$ 4,870,304	**$ 5,284,892**

Investment income consisted of the following for the years ended June 30:

	2010	2009
Interest and dividends	$ 162,688	$ 251,301
Net realized losses	(111,285)	(92,808)
Net unrealized gains (losses)	551,568	(529,730)
Net investment income (loss)	**$ 602,971**	**$ (371,237)**

On March 12, 2010, the Organization borrowed $700,000 through a mortgage notes payable to finance certain capital improvements, collateralized by the Organization's investments. As of June 30, 2010, the balance outstanding on the mortgage note totaled $691,250.

Note 5 - Fair Value Measurements

The valuation of the Organization's instruments using the fair value hierarchy consisted of the following at June 30, 2010:

Description	*Total*	*Level 1*	*Level 2*	*Level 3*
Assets				
Mutual funds	$ 4,608,046	$ 4,608,046	$ -	$ -
Fidelity cash and cash reserves	258,595	258,595	-	-
Stocks	3,663	3,663	-	-
Investments	**$ 4,870,304**	**$ 4,870,304**	**$ -**	**$ -**
Liabilities				
Interest rate swap agreement	**$ 925,138**	**$ -**	**$ 925,138**	**$ -**

Note 5 - Fair Value Measurements (Continued)

The valuation of the Organization's instruments using the fair value hierarchy consisted of the following at June 30, 2009:

Description		***Total***		***Level 1***		***Level 2***		***Level 3***
Assets								
Mutual funds	$	5,078,773	$	5,078,773	$	-	$	-
Fidelity cash and cash reserves		203,908		203,908		-		-
Stocks		2,211		2,211		-		-
Investments	**$**	**5,284,892**	**$**	**5,284,892**	**$**	**-**	**$**	**-**
Liabilities								
Interest rate swap agreement	**$**	**652,715**	**$**	**-**	**$**	**652,715**	**$**	**-**

Fair values of financial instruments for which the Organization did not elect the fair value option are included in the table below. The fair values of such instruments have been derived, in part, by management's assumptions, the estimated amount and timing of future cash flows and estimated discount rates. Different assumptions could significantly affect these estimated fair values. Accordingly, the net realizable values could be materially different from the estimates presented below at June 30, 2010. In addition, the estimates are only indicative of the value of individual financial instruments and should not be considered an indication of the fair value of the Organization.

The following methods and assumptions were used in estimating the fair value of additional financial instruments not described above:

Cash and cash equivalents	Carrying amount approximates fair value
Escrow deposits	Carrying amount approximates fair value
Accounts receivable, net	Carrying amount approximates fair value
Prepaid and defined expenses	Carrying amount approximates fair value
Deposits	Carrying amount approximates fair value
Accounts payable	Carrying amount approximates fair value
Accrued expenses	Carrying amount approximates fair value
Mortgage notes payable	Carrying amount approximates fair value
Bonds payable	Carrying amount approximates fair value

Note 6 - Property, Plant and Equipment

Following is a summary of property, plant and equipment as of June 30:

		2010		***2009***
Land	$	8,325,287	$	8,378,548
Buildings and improvements		27,255,033		27,093,460
Leasehold improvements		4,243,367		4,190,987
Furniture and fixtures		1,024,335		1,107,791
Equipment		5,042,764		4,980,087
Motor vehicles		61,023		402,383
		45,951,809		46,153,256
Less accumulated depreciation and amortization		(13,575,449)		(12,367,192)
	$	**32,376,360**	**$**	**33,786,064**

Note 7 - Construction in Progress

Construction in progress totaled $364,377 and $110,781 as of June 30, 2010 and 2009, respectively. The June 30, 2010 balance consists primarily of costs incurred for software and computer projects. The estimated remaining cost to complete these projects is approximately $476,930 and they are expected to all be operational by December 2010. A portion of construction in progress that was outstanding as of June 30, 2009, totaling $95,031, was placed in services during the year ended June 30, 2010. The remaining $15,750 of construction in progress that was outstanding at June 30, 2009 was still in construction in progress as of June 30, 2010.

Note 8 - Mortgage Notes Payable

Mortgage notes payable consists of the following at June 30, 2010 and 2009:

	2010	*2009*
Various mortgage notes payable to a financial institution in monthly installments totaling $15,720, including interest at rates ranging from 2.27% to 2.84% as of June 30, 2010, through dates ranging from 2012 to 2014. The notes are secured by real property.	$ 3,366,660	$ 3,555,300
Various mortgage notes payable to financial institutions in monthly installments totaling $17,087, including interest at rates ranging from 2.45% to 6.94% through dates ranging from 2012 to 2030. The notes are secured by real property.	2,419,128	1,801,962
Non-interest bearing mortgage note payable to a Housing Authority with total principal due November 2032. The note is secured by a second mortgage on real property.	72,557	72,557
Mortgage note payable to the Facility Consolidation Fund with total principal plus interest at 0% due June 2029. This note is secured by a second mortgage on real property.	263,901	263,901
Mortgage note payable to the Facility Consolidation Fund with total principal plus interest at 0% due November 2033. This note is secured by a second mortgage on real property.	376,946	376,946
Total mortgage notes payable	**$ 6,499,192**	**$ 6,070,666**

Note 8 - Mortgage Notes Payable (Continued)

Future maturities of mortgage notes payable are as follows:

Years Ending June 30,		
2011	$	299,710
2012		738,173
2013		1,816,329
2014		1,431,768
2015		590,517
Thereafter		1,622,695
	$	**6,499,192**

Note 9 - Line-of-Credit

The Organization has a $5,000,000 line-of-credit agreement with a bank, expiring on January 25, 2011 with interest at the greater of 6.5% or the bank's prime rate plus 2.75% (6.5% at June 30, 2010). The agreement is secured by all assets of May. Outstanding borrowings on this line-of-credit totaled $3,430,110 and $3,123,609 at June 30, 2010 and 2009, respectively.

The Organization had a $4,000,000 non-revolving line-of-credit agreement with a bank which expired on June 30, 2010. The line was used to secure the purchase of real property which had a balance of $3,366,660 and $3,555,300 at June 30, 2010 and 2009, respectively. The balance is included in mortgage notes payable at June 30, 2010 and 2009 (see Note 8).

Note 10 - Bonds Payable

On September 29, 1999, the Organization closed on a $16,400,000, 30-year bond offering issued by the Massachusetts Development Finance Agency. Chittenden Trust Company serves as the trustee. Interest is payable on the bonds at rates ranging from 4% to 6%. The bonds were sold at yields ranging from 4.10% to 6.10%, which resulted in a net original issue discount of $395,095.

Under the terms of the bond, annual installments of principal are due on September 1 of each year, commencing on September 1, 2000. The annual principal installments start at $70,000 in 2000 escalating each year to $1,120,000 in 2029. Interest payments are due each March 1 and September 1, and commenced on March 1, 2000. Escrow deposits are required to be maintained (see Note 2).

The bonds are a general obligation of the Organization and secured by a subordinate lien on its gross receipts and a mortgage on its office building in Mashpee, Massachusetts. The bond agreement contains restrictive covenants concerning certain financial statement ratios.

Note 10 - Bonds Payable (Continued)

On October 1, 2006, the Massachusetts Development Finance Agency issued a $6,500,000 Variable Rate Demand Revenue Bond for the benefit of the Organization. Sinking fund redemptions began October 1, 2007 with final maturity on October 1, 2036. The proceeds from the bonds were used to refinance existing debt, reimburse the Organization for building improvements previously made, purchase real estate, to fund escrows and pay certain fees related to the bonds.

The interest rate on the Series 2006 variable rate demand bonds are determined by a bond-remarketing agent, reset weekly and payable monthly, and cannot exceed a rate of 10% per year. The Series 2006 carried a variable rate of 0.50% for the week ended June 25, 2010. The bonds are secured by a letter of credit that is collateralized by a mortgage on the Organization's building located in Randolph, Massachusetts. Escrow deposits are required to be maintained (see Note 2). The bond agreement contains restrictive covenants concerning certain financial statement ratios.

Future maturities of bonds payable are as follows:

Years Ending June 30,		
2011	$	5,470,000
2012		405,000
2013		430,000
2014		450,000
2015		500,833
Thereafter		11,639,167
Unamortized discount		(244,727)
	$	**18,650,273**

Note 11 - Derivative Instruments

The Organization uses interest rate swaps to manage interest rate risk exposure. The Organization's interest rate swap effectively mitigates exposure to interest rate risk, primarily through converting portions of floating rate debt under the bond agreement to a fixed rate basis. This agreement involves the receipt or payment of floating rate amounts in exchange for fixed rate interest payments over the life of the agreement without an exchange of the underlying principal amounts. The Organization does not enter into derivative instruments for trading or speculative purposes.

The Organization's interest rate swap has been recorded as a liability in the statements of financial position at fair value. Changes in fair value are recorded as unrealized gains or losses on swap contracts in the period incurred.

Note 11 - Derivative Instruments (Continued)

As a result of the use of derivative instruments, the Organization is exposed to risk that the counterparty will fail to meet their contractual obligation. To mitigate the counterparty risk, the Organization only enters into contracts with selected major financial institutions based upon their credit ratings and other factors, and continually assesses the creditworthiness of counterparties. At June 30, 2010 and 2009, the counterparty to the Organization's interest rate swaps had investment grade ratings. To date, the counterparty has performed in accordance with their contractual obligation. The current year swap contains no credit risk-related contingent features in the Organization's interest rate swap nor does the swap contain provisions under which the Organization has, or would be required, to post collateral.

On October 4, 2006, the Organization entered into an agreement (interest rate swap) for a notional amount of $6,500,000 with a bank to lock in the cash outflows for interest on its variable rate bonds. This agreement changes the Organization's variable interest rate bonds to a fixed interest rate. Under the terms of the swap, the Organization pays or receives a monthly fixed-rate interest based on the difference between sixty-seven percent (67%) of USDLIBOR-BBA and the fixed rate of 3.61%. The estimated fair value of the swap agreement at June 30, 2010 and 2009 was a liability of $925,138 and $652,715, respectively, and is recorded on the statement of financial position, with the respective unrealized loss reported as a change in unrestricted net assets. The agreement terminates on October 1, 2026.

Note 12 - Sales and Leaseback Transactions

During 2006, the Organization sold a school campus and several of its group homes for $8,801,697 realizing a gain of $6,759,887. Simultaneous with the sale, the Organization entered into an agreement to lease back the buildings for initial terms of three and five years. The gains resulting from the sales have been recorded as deferred income and are being amortized over the lease terms. During the year ended June 30, 2009, the Organization terminated the lease and the remaining unamortized gain was recognized as revenue.

Note 13 - Operating Leases

Building

The Organization leases facilities under operating leases expiring at various dates through 2021. Included in occupancy expense is rental expense of $4,318,880 and $4,724,511 for the years ended June 30, 2010 and 2009, respectively.

Motor Vehicles

The Organization leases motor vehicles under operating leases expiring at various dates through 2014. Included in transportation expense is rental expense of $1,387,749 and $1,319,936 for the years ended June 30, 2010 and 2009, respectively.

Note 13 - Operating Leases (Continued)

Copiers

The Organization leases numerous copiers under operating leases expiring at various dates through 2014. Included in occupancy expense is rental expense of $256,145 and $265,044 for the years ended June 30, 2010 and 2009, respectively.

Equipment

The Organization leases pieces of office and other equipment under operating leases expiring at various dates through 2016. Included in occupancy expense are lease and rental expenses of $27,478 and $23,672 for the years ended June 30, 2010 and 2009, respectively.

Future minimum rental payments under the aforementioned leases in the aggregate and for the next five years under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2010 are as follows:

Years Ending June 30,	Buildings	Motor Vehicles	Copiers	Equipment	Total
2011	$ 3,436,246	$ 1,248,247	$ 241,465	$ 65,036	$ 4,990,994
2012	2,512,780	848,300	186,585	45,253	3,592,918
2013	1,989,071	521,120	111,270	16,295	2,637,756
2014	1,635,334	194,858	28,573	11,268	1,870,033
2015	1,461,506	-	-	10,080	1,471,586
Thereafter	4,696,776	-	-	7,682	4,704,458
	$ 15,731,713	**$ 2,812,525**	**$ 567,893**	**$ 155,614**	**$ 19,267,745**

Note 14 - Net Assets and Endowment Matters

Unrestricted Net Assets

Unrestricted net assets are comprised of the following:

Fixed assets - The value of buildings and equipment, net of depreciation, used in the Organization's operations. This amount is offset by outstanding liabilities related to the assets, such as bond debt.

Operating - Discretionary funds available for carrying on the operating activities of the Organization.

Note 14 - Net Assets and Endowment Matters (Continued)

Temporarily Restricted Net Assets

Temporarily restricted net assets are comprised of the following:

	2010	*2009*
Contributions with purpose restrictions:		
Education ASD Parents Workshop	$ -	$ 63,672
Pediatric Supplement Medical & Health	-	33,661
Trustees awards	20,733	20,350
Social Skills Training Group	-	15,000
Mashpee greenhouse	-	3,923
Altman Fund - Revere Day Hab	2,950	-
NAC - Ludcke Foundation	10,946	-
NAC - The Quest Diagnostics Foundation	5,000	-
NAC - Local & Regional Services	-	20,000
NAC - Early Screening and Diagnostic	-	6,762
TBS - Treatment Project for Dr. J. Rapp	1,107	99,704
TBS - Early Intervention	-	14,308
TBS - Residential Program	-	3,287
TBS - Research and Education for Children	-	2,500
Contributions with time restrictions:		
Capital advances from HUD*	1,330,800	1,330,800
Total temporarily restricted net assets	**$ 1,371,536**	**$ 1,613,967**

* Under the terms of the capital advance program, no repayment of principal is required so long as the residences area occupied for no less than 40 years by very low-income persons with disabilities. If for any reason the capital advance is snot continued to be used for the specific purpose, repayment of principal and interest will be required.

Note 14 - Net Assets and Endowment Matters (Continued)

Net Assets Released from Restrictions

Net assets were released from donor restrictions as a result of the incurrence of expenses satisfying the restricted purposes, the occurrence of events specified by donors or by the change of restrictions specified by the donors. Net assets released from restriction were for the following purposes for the years ended June 30:

	2010	2009
Donor restrictions satisfied as to:		
Educational ASD Parents Workshop	$ 63,672	$ -
Supplemental Health and Medical Services	33,661	66,339
Social Skills Training Group	15,000	-
Residence in Easton, Massachusetts	12,000	-
Trustee awards	10,500	-
Mashpee greenhouse	4,867	-
Springfield autism grant	3,923	-
Bridgewater Group Home	-	35,000
Hire - Regain Employment Program	-	25,000
Professional Development of Staff Servicing Students	-	7,500
Vocational Enhancement and Training Project	-	5,000
Randolph School	-	3,500
Trustee awards	-	2,000
NAC - Standards Project	120,000	-
NAC - Ludcke Foundation	28,990	-
NAC - American Legion Child Welfare Foundation, Inc.	39,150	-
NAC - Local and Regional Services	20,000	20,000
NAC - Early Screening & Diagnostic	6,826	5,174
NAC - Western Mass Satellite Clinic	-	4,835
TBS - Treatment Project for Dr. John Rapp	178,072	-
TBS - Early Intervention	14,308	-
TBS - Residential Program	3,287	-
TBS - Research & Education for Children	2,500	-
	$ 556,756	**$ 174,348**

Permanently Restricted Net Assets

Permanently restricted net assets totaling $1,000 consist of cash to be held in perpetuity. The earnings on the investment of the cash are expendable to support the operations of the Organization.

Note 14 - Net Assets and Endowment Matters (Continued)

Endowment Matters

The Organization's endowment fund consists of one donor restricted fund of $1,000. The fund is maintained in a cash account. The Board of Trustees of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) signed into law in the state of Massachusetts on July 2, 2009, requiring the preservation of the original value of the original gift as of the gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Interest and dividend income may be distributed to the Organization for operating purposes. Appreciation is recorded as temporarily restricted net assets and may be appropriated by the Board of Trustees.

Note 15 - Forward Delivery Agreement

During the year ended June 30, 2000, the Organization entered into a forward delivery agreement to sell the rights to income earned on the Organization's Debt Service Reserve Fund and Debt Service Fund to Bank of America, N.A. Pursuant to the agreement, the Organization received $828,000 from Bank of America, N.A. during the year ended June 30, 2000. The proceeds from the agreement were treated as deferred revenue by the Organization and are being amortized over the thirty-year life of the bonds payable. As of June 30, 2010 and 2009, deferred revenue related to the forward purchase agreement was $520,391 and $547,425, respectively. The remaining balance in deferred revenue represents advances received for program services.

Note 16 - Third-Party Payor Settlements

In connection with an administrative review during 2004 of three of its programs conducted by the Commonwealth of Massachusetts Operational Services Division (OSD) for the year ended June 30, 2003, May entered into an agreement to repay $800,000 to the Commonwealth. During the year ended June 30, 2009, the final installment totaling $400,000 was repaid on this settlement agreement.

May had entered into a settlement agreement with OSD for the same programs, for fiscal year 2005. A liability of $375,000 was outstanding at June 30, 2009, which May had paid in full during the year ended June 30, 2010.

May has entered into a settlement agreement with OSD for one of the programs, for fiscal year 2007. As a result, a liability of $719,435 was outstanding at June 30, 2009 for which a portion totaling $150,000 was paid during the fiscal year ended June 30, 2010, in accordance with the payment schedule. A liability of $569,435 remained unpaid as of June 30, 2010. This liability will be repaid by June 15, 2012 in accordance with a payment schedule.

The settlements are based on a methodology agreed to by OSD for other settlements the Organization has entered into. In addition, the Organization has adjusted tuition revenue for the years ended June 30, 2010 and 2009 based on the above settlements.

Note 16 - Third-Party Payor Settlements (Continued)

Repayments for these liabilities are as follows:

Due in Years Ended June 30,		***Total***
2011	$	225,000
2012		344,435
	$	**569,435**

At June 30, 2009, total scheduled payments related to the settlements totaled $1,094,435.

Note 17 - Estimated Third-Party Payor Liabilities

The Organization has recorded estimated liabilities to other governmental agencies. The estimated liability totaled $91,554 and $409,554 at June 30, 2010 and 2009, respectively.

Note 18 - Employee Benefit Plans

The Organization maintains a tax deferred annuity plan as described in IRS Code Section 403(b) covering all eligible employees beginning on their date of hire. The plan allows the Organization to make matching contributions based on years of continuous service, as set forth in the plan, subject to IRS limitations. The Organization recognized an expense of $0 and $665,857 related to the plan during the years ended June 30, 2010 and 2009, respectively, of which zero is included in accrued expenses as of June 30, 2009 and 2010.

The Organization maintained a deferred compensation plan for certain key executives. The plan was terminated during the year ended June 30, 2009. The plan was funded through split dollar life insurance policies that were owned by the Organization and were cancelled during fiscal year 2009. The key executives became fully vested in November 2008, at which point the plan's funds were distributed to the employees. During the year ended June 30, 2009, the Organization contributed $79,065 to the plan.

In addition, the Organization maintains a deferred compensation plan for certain key employees under the provisions of Internal Revenue Code Section 457(b). During the years ended June 30, 2010 and 2009, the Organization contributed $22,000 and $175,750 to this plan, respectively.

Additionally, during the year ended June 30, 2009, the Organization created a deferred compensation plan for certain key employees under the provisions of Internal Revenue Code Section 457(f). During the years ended June 30, 2010 and 2009, the Organization contributed $29,394 and $30,134 to this plan, respectively.

Note 19 - Legal Matters

The Organization is involved in legal proceedings, claims and disputes which arise in the ordinary course of business. In management's opinion, these matters will not have a material adverse effect on the financial position of the Organization.

Note 20 - Subsequent Events

On October 1, 2010, Mass Development issued a 2010 Series Bond on behalf of May in the amount of $16,000,000. The purpose of this issue was to refinance the 2006 Series Bond and unwind the swap agreement, refinance conventional mortgage debt, and provide new financing for the purchase of 14 Pacella Park Drive, Randolph, MA.

On October 1, 2010, May changed its primary banking relationship and entered into a $5,000,000 line-of-credit agreement with a Massachusetts based bank. As such, the Organization cancelled and repaid all outstanding balances on the $5,000,000 line-of-credit agreement it had with a former bank, for which the outstanding balance was $3,430,110 as of June 30, 2010 (see Note 9).

On October 28, 2010, May purchased 14 Pacella Park Drive, Randolph, MA, a site previously leased. The purchase was financed through the Mass Development 2010 Series Bond. The building is used primarily for administrative offices and an Adult Day Habilitation Center.

In September 2010, May initiated a new Defined Contribution Retirement Plan and made changes to its plan administration and contribution schedule.

Supplemental Information

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Independent Auditor's Report
on Supplemental Information

Boards of Trustees
The May Institute, Inc. and Affiliates
Randolph, Massachusetts

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining information is presented for the purposes of additional analysis of the combined financial statements rather than to present the financial position, results of operations and cash flows of the individual organizations. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Mayer Hoffman McCann P.C.

December 10, 2010
Cambridge, Massachusetts

THE MAY INSTITUTE, INC. AND AFFILIATES

Combining Schedule of Financial Position

June 30, 2010

	The May Institute, Inc.	*May Professional Associates, Inc.*	*Greater Springfield Residences, Inc.*	*The May-West Roxbury Residence, Inc.*	*The Bay School*	*National Autism Center*	*Combined Totals Before Eliminations*	*Eliminations*	*Combined Totals*
Assets									
Cash and cash equivalents	$ 5,077,380	$ 3,985	$ 28,730	$ (5,020)	$ 938,233	$ 116,921	$ 6,160,229	$ -	$ 6,160,229
Escrow deposits	1,878,368	-	30,071	21,845	-	-	1,930,284	-	1,930,284
Accounts receivable, net of allowance for doubtful accounts	7,098,975	-	3,266	36,440	437,774	-	7,576,455	-	7,576,455
Due from affiliates	359,464	174,007	-	-	-	-	533,471	(533,471)	-
Prepaid and deferred expenses	43,649	-	-	-	19,441	-	63,090	-	63,090
Investments	4,866,641	-	-	-	3,663	-	4,870,304	-	4,870,304
Deposits	419,001	-	-	100	-	-	419,101	-	419,101
Loan origination costs, less accumulated amortization	23,586	-	-	-	-	-	23,586	-	23,586
Capitalized interest costs, less accumulated amortization	41,753	-	-	-	-	-	41,753	-	41,753
Bond issuance costs, less accumulated amortization	689,258	-	-	-	-	-	689,258	-	689,258
Property, plant and equipment, at cost, less accumulated depreciation and amortization	30,493,172	-	637,238	1,263,190	141,631	-	32,535,231	(158,871)	32,376,360
Construction in progress	364,377	-	-	-	-	-	364,377	-	364,377
Total assets	**$ 51,355,624**	**$ 177,992**	**$ 699,305**	**$ 1,316,555**	**$ 1,540,742**	**$ 116,921**	**$ 55,207,139**	**$ (692,342)**	**$ 54,514,797**
Liabilities and Net Assets									
Accounts payable	$ 1,045,085	$ -	$ 858	$ -	$ 21,208	$ -	$ 1,067,151	$ -	$ 1,067,151
Due to affiliates	-	-	111,165	359,599	12,600	50,107	533,471	(533,471)	-
Accrued expenses	4,743,960	-	1,301	-	106,861	-	4,852,122	-	4,852,122
Deferred revenue	705,524	-	-	-	-	-	705,524	-	705,524
Deferred gains on sale-leaseback transactions	-	-	-	-	-	-	-	-	-
Third-party payor settlements	569,435	-	-	-	-	-	569,435	-	569,435
Estimated third-party payor liabilities	91,554	-	-	-	-	-	91,554	-	91,554
Line-of-credit	3,430,110	-	-	-	-	-	3,430,110	-	3,430,110
Interest rate swap agreement	925,138	-	-	-	-	-	925,138	-	925,138
Mortgage notes payable	5,858,345	-	263,901	376,946	-	-	6,499,192	-	6,499,192
Bonds payable, net of unamortized discount	18,650,273	-	-	-	-	-	18,650,273	-	18,650,273
Total liabilities	**36,019,424**	**-**	**377,225**	**736,545**	**140,669**	**50,107**	**37,323,970**	**(533,471)**	**36,790,499**
Net assets (deficit):									
Unrestricted	15,311,517	177,992	(293,920)	(134,790)	1,398,966	50,868	16,510,633	(158,871)	16,351,762
Temporarily restricted	23,683	-	616,000	714,800	1,107	15,946	1,371,536	-	1,371,536
Permanently restricted	1,000	-	-	-	-	-	1,000	-	1,000
Total net assets (deficit)	**15,336,200**	**177,992**	**322,080**	**580,010**	**1,400,073**	**66,814**	**17,883,169**	**(158,871) ****	**17,724,298**
Total liabilities and net assets	**$ 51,355,624**	**$ 177,992**	**$ 699,305**	**$ 1,316,555**	**$ 1,540,742**	**$ 116,921**	**$ 55,207,139**	**$ (692,342)**	**$ 54,514,797**

** elimination of intercompany gain on sale of property

THE MAY INSTITUTE, INC. AND AFFILIATES

Combining Schedule of Activities

Year Ended June 30, 2010

	The May Institute, Inc.	*May Professional Associates, Inc.*	*Greater Springfield Residences, Inc.*	*The May-West Roxbury Residence, Inc.*	*The Bay School*	*National Autism Center*	*Combined Totals Before Eliminations*	*Eliminations*	*Combined Totals*
Revenues, gains, losses and other support:									
Tuition	$ 30,505,275	$ -	$ -	$ -	$ 3,641,242	$ -	$ 34,146,517	$ -	$ 34,146,517
Contract revenue	50,732,611	-	-	-	-	-	50,732,611	-	50,732,611
Consulting and management services	5,082,993	-	-	-	-	-	5,082,993	(889,153)	4,193,840
Third party fees - net of free services and contractual adjustments	8,449,000	-	-	-	-	-	8,449,000	-	8,449,000
Consumer revenue	3,919,221	-	44,624	60,811	-	-	4,024,656	-	4,024,656
Other program revenue	936,511	-	-	-	173,852	-	1,110,363	-	1,110,363
Contributions, grants and subsidies	584,547	-	-	-	87,877	234,000	906,424	-	906,424
Interest income	190,726	-	156	-	-	-	190,882	-	190,882
Net gain on investment transactions	442,485	-	-	-	1,452	-	443,937	-	443,937
Unrealized loss on interest rate swap agreement	(272,423)	-	-	-	-	-	(272,423)	-	(272,423)
Gains on sales of leased equipment	182,908	-	-	-	(9,548)	-	173,360	-	173,360
Gains on sale-leaseback transactions	-	-	-	-	-	-	-	-	-
Other sources	90,830	-	-	-	(1,174)	-	89,656	-	89,656
Total revenues, gains, losses and other support	**100,844,684**	**-**	**44,780**	**60,811**	**3,893,701**	**234,000**	**105,077,976**	**(889,153)**	**104,188,823**
Expenses:									
The May Institute, Inc. Program Services:									
Schools and Affiliated Services	$ 27,161,321	$ -	$ -	$ -	$ -	$ -	$ 27,161,321	$ -	$ 27,161,321
Residential and Day Services	45,206,439	-	-	-	-	-	45,206,439	-	45,206,439
Family and School Consultation	4,940,336	-	-	-	-	-	4,940,336	-	4,940,336
Special Projects	2,354,494	-	-	-	-	-	2,354,494	-	2,354,494
Behavioral Health Services	6,773,502	-	-	-	-	-	6,773,502	-	6,773,502
Greater Springfield Residences, Inc. Program Services	20,715	-	69,431	-	-	-	90,146	(20,715)	69,431
The May-West Roxbury Residences, Inc. Program Services	43,020	-	-	71,970	-	-	114,990	(43,020)	71,970
The Bay School Program Services	203,865	-	-	-	3,334,256	-	3,538,121	(203,865)	3,334,256
National Autism Center Program Services	176,759	-	-	-	-	177,401	354,160	(176,759)	177,401
Total program services	**86,880,451**	**-**	**69,431**	**71,970**	**3,334,256**	**177,401**	**90,533,509**	**(444,359)**	**90,089,150**
Management and general	11,148,087	-	5,838	601	416,270	22,085	11,592,881	(444,794)	11,148,087
Fundraising	332,071	-	-	-	-	-	332,071	-	332,071
Total expenses	**98,360,609**	**-**	**75,269**	**72,571**	**3,750,526**	**199,486**	**102,458,461**	**(889,153)**	**101,569,308**
Change in net assets	**2,484,075**	**-**	**(30,489)**	**(11,760)**	**143,175**	**34,514**	**2,619,515**	**-**	**2,619,515**
Net assets at beginning of year	12,852,125	177,992	352,569	591,770	1,256,898	32,300	15,263,654	(158,871) **	15,104,783
Net assets at end of year	**$ 15,336,200**	**$ 177,992**	**$ 322,080**	**$ 580,010**	**$ 1,400,073**	**$ 66,814**	**$ 17,883,169**	**$ (158,871)**	**$ 17,724,298**

** elimination of intercompany gain on sale of property