The Chicago School – California, Inc
d/b/a The Chicago School of Professional Psychology

Consolidated Financial Report
May 31, 2017

Contents

RSM

RSM US LLP

Independent Auditor's Report

To the Board of Trustees
The Chicago School – California, Inc d/b/a The Chicago School of Professional Psychology

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of The Chicago School – California, Inc d/b/a The Chicago School of Professional Psychology which comprise the consolidated statements of financial position as of May 31, 2017 and 2016, and the related consolidated statements of activities 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 of material misstatement.

An audit involves 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable 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 Chicago School – California, Inc d/b/a The Chicago School of Professional Psychology as of May 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Chicago, Illinois
October 20, 2017

The Chicago School - California, Inc
d/b/a The Chicago School of Professional Psychology

Consolidated Statements of Financial Position
May 31, 2017 and 2016

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	**$ 25,074,686**	$ 19,450,448
Investments	**57,918,752**	56,214,070
Student accounts receivable, net of allowance of $709,698 and $628,506, respectively	**537,222**	570,043
Other accounts receivable	**645,417**	588,688
Prepaid expenses	**1,034,590**	342,320
Total current assets	**85,210,667**	77,165,569
Property and equipment, net	**21,046,310**	22,342,570
Other long-term assets	**509,364**	473,965
Total assets	**$ 106,766,341**	$ 99,982,104
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	**$ 157,282**	$ 46,332
Student refunds payable	**814,368**	3,295,269
Accrued compensation related expenses	**4,450,464**	3,580,111
Other accrued expenses	**833,001**	3,751,299
Other payables	**317,211**	311,641
Deferred revenue and tuition deposits	**12,897,413**	12,719,343
Current portion of deferred rent	**903,259**	684,521
Due to affiliates	**385,398**	533,519
Total current liabilities	**20,758,396**	24,922,035
Long-term liabilities:		
Deferred rent, net of current portion	**3,203,568**	3,686,968
Other liabilities	**222,003**	180,248
Total long-term liabilities	**3,425,571**	3,867,216
Total liabilities	**24,183,967**	28,789,251
Net assets:		
Unrestricted net assets	**42,103,756**	35,160,219
Quasi-endowment funds	**38,531,953**	34,187,547
Total unrestricted net assets	**80,635,709**	69,347,766
Temporarily restricted net assets	**565,544**	463,966
Permanently restricted net assets	**1,381,121**	1,381,121
Total net assets	**82,582,374**	71,192,853
Total liabilities and net assets	**$ 106,766,341**	$ 99,982,104

See notes to consolidated financial statements.

The Chicago School - California, Inc
d/b/a The Chicago School of Professional Psychology

Consolidated Statements of Activities
Year Ended May 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues:				
Tuition revenue	$ 87,790,250	$ -	$ -	$ 87,790,250
Less scholarships	(2,823,043)	-	-	(2,823,043)
Net tuition revenue	84,967,207	-	-	84,967,207
Fee revenue	8,724,075	-	-	8,724,075
Contributions	1,164,696	16,445	-	1,181,141
Other school revenue	533,008	-	-	533,008
Net assets released from restriction	126,917	(126,917)	-	-
Total revenues	95,515,903	(110,472)	-	95,405,431
Expenses:				
Educational services and facilities	48,498,863	-	-	48,498,863
Management, general, and administration	37,282,351	-	-	37,282,351
Fundraising	500,564	-	-	500,564
Depreciation and amortization	2,583,618	-	-	2,583,618
Total expenses	88,865,396	-	-	88,865,396
Increase (decrease) in net assets before other income (expense)	6,650,507	(110,472)	-	6,540,035
Non-operating items:				
Interest and dividends, net of fees of $38,279	950,987	35,180	-	986,167
Net gains on investments	3,662,694	176,870	-	3,839,564
Other non-operating items	23,755	-	-	23,755
Total non-operating items	4,637,436	212,050	-	4,849,486
Changes in net assets	11,287,943	101,578	-	11,389,521
Net assets, beginning of the year	69,347,766	463,966	1,381,121	71,192,853
Net assets, end of the year	$ 80,635,709	$ 565,544	$ 1,381,121	$ 82,582,374

See notes to consolidated financial statements.

The Chicago School - California, Inc
d/b/a The Chicago School of Professional Psychology

Consolidated Statements of Activities (Continued)
Year Ended May 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues:				
Tuition revenue	$ 84,660,956	$ -	$ -	$ 84,660,956
Less scholarships	(3,123,954)	-	-	(3,123,954)
Net tuition revenue	81,537,002	-	-	81,537,002
Fee revenue	8,157,753	-	-	8,157,753
Contributions	1,069,341	185,751	-	1,255,092
Other school revenue	472,204	-	-	472,204
Net assets released from restriction	277,322	(277,322)	-	-
Total revenues	91,513,622	(91,571)	-	91,422,051
Expenses:				
Educational services and facilities	47,810,253	-	-	47,810,253
Management, general, and administratioı	36,395,982	-	-	36,395,982
Fundraising	679,382	-	-	679,382
Depreciation and amortization	2,634,849	-	-	2,634,849
Total expenses	87,520,466	-	-	87,520,466
Increase (decrease) in net assets before other income (expense)	3,993,156	(91,571)	-	3,901,585
Non-operating items:				
Interest and dividends, net of fees of $39,095	1,531,872	65,722	-	1,597,594
Change in donor designation	-	317,418	(317,418)	-
Net realized gains on investments	534	331	-	865
Net unrealized gains on investments	(2,059,940)	(100,531)	-	(2,160,471)
Net realized and unrealized losses on interest rate swap	(117,170)	-	-	(117,170)
Other non-operating items	(4,419)	-	-	(4,419)
Total non-operating items	(649,123)	282,940	(317,418)	(683,601)
Changes in net assets	3,344,033	191,369	(317,418)	3,217,984
Net assets, beginning of the year	66,003,733	272,597	1,698,539	67,974,869
Net assets, end of the year	$ 69,347,766	$ 463,966	$ 1,381,121	$ 71,192,853

See notes to consolidated financial statements.

The Chicago School - California, Inc
d/b/a The Chicago School of Professional Psychology

Consolidated Statements of Cash Flows
Years Ended May 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	**$ 11,389,521**	$ 3,217,984
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**2,583,618**	2,634,849
Amortization of deferred financing fees	**-**	266,687
Bad debt reserve	**81,192**	(112,402)
Net (gains) losses on investments	**(3,839,564)**	2,159,606
Net unrealized losses on interest rate swap	**-**	3,170
Gain on disposal of property and equipment	**-**	(9,500)
Changes in assets and liabilities:		
Student accounts receivable	**(48,371)**	205,685
Other accounts receivable	**(56,729)**	(90,621)
Prepaid expenses	**(692,270)**	670,373
Other assets	**(35,399)**	9,731
Accounts payable	**110,950**	(501,446)
Student refunds payable	**(2,480,901)**	(1,546,177)
Accrued compensation related expenses	**870,353**	(177,673)
Other accrued expenses	**(2,918,298)**	(301,899)
Other payables	**5,570**	(896,020)
Deferred revenue and tuition deposits	**178,070**	239,280
Deferred rent	**(264,662)**	(552,308)
Due to/from affiliates	**(148,121)**	(255,356)
Other liabilities	**41,755**	12,888
Net cash provided by operating activities	**4,776,714**	4,976,851
Cash flows from investing activities:		
Proceeds from related-party notes receivable	**-**	480,400
Purchases of property and equipment	**(1,287,358)**	(697,779)
Purchases of investments	**(21,899,034)**	(11,485,744)
Proceeds from sales of investments	**24,033,916**	12,480,281
Net cash provided by investing activities	**847,524**	777,158
Cash flows from financing activities:		
Payments of long-term debt	**-**	(9,123,200)
Net cash used in financing activities	**-**	(9,123,200)
Net increase (decrease) in cash and cash equivalents	**5,624,238**	(3,369,191)
Cash and cash equivalents, beginning of year	**19,450,448**	22,819,639
Cash and cash equivalents, end of year	**$ 25,074,686**	$ 19,450,448
Supplemental disclosure of non-cash transactions:		
Interest paid	**$ -**	$ 173,799

See notes to consolidated financial statements.

Note 1. Nature of Business and Significant Accounting Policies

The Chicago School of Professional Psychology (the “College”) is a nonprofit, accredited institution with more than 4,000 students at campuses across the country (Chicago, Los Angeles, Orange County and San Diego, California, Washington, D.C. and online). The College has been an innovator in the field of psychology and related behavioral science for more than 35 years. The College offers more than 25 degree programs and a wealth of opportunities for international experiences. Integrating theory, professional practice, and innovation, The Chicago School of Professional Psychology provides an excellent education for careers in psychology and related behavioral and health sciences. The College is committed to service and embraces the diverse communities of our society. The College is accredited by the Accrediting Commission for Senior Colleges and Universities of the Western Association of Schools and Colleges and is an active member of the National Council of Schools and Programs of Professional Psychology—which has recognized the College for its distinguished service and outstanding contributions to cultural diversity and advocacy.

The following entities are included within the scope of the College’s consolidated financial statements:

> The Chicago School – California, Inc, a 501(c)(3) private, California public benefit organization that prepares professional psychologists who reflect, in practice, a commitment to respect and acknowledgment of individual and cultural differences. It is the sole member of three subsidiary entities:
>
> The Chicago School of Professional Psychology, a 501(c)(3) private, nonprofit educational College that operates campuses in Illinois.
>
> The Chicago School of Professional Psychology Counseling Centers (formerly California Graduate Institute), a 501(c)(3) private, California public benefit organization that provides counseling services with locations in Los Angeles and Irvine, California.
>
> The Chicago School – Washington D.C., Inc, a 501(c)(3) private, District of Columbia nonprofit public benefit corporation that operates a campus in the District of Columbia.

The College formed and is a part of a private, nonprofit system of colleges advancing student success and community impact, which are supported and coordinated by TCS Education System, a 501(c)(3) organization recognized by the Internal Revenue Service as a Type II supporting organization (the “System”). The System provides management services and conducts other support activities for the exclusive benefit of the supported organizations. The provision of those services and the allocation of costs related thereto could result in operating results or a financial position of the College that is significantly different from those that would have been obtained if the College operated independently. Furthermore, alternative methods of accounting for those cost allocations may produce significantly different operating results for the College.

In addition to the management services and support activities, the System has billed the College for certain costs incurred on its behalf. Total management and support expenses for the years ended May 31, 2017 and 2016, were $28,542,038 and $26,678,556 respectively. The total amount due to the System as of May 31, 2017 and 2016, was $385,398 and $533,519, respectively.

Basis of accounting: The financial statements of the College have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Accounting policies: The College follows accounting standards established by the Financial Accounting Standards Board ("FASB") to ensure consistent reporting of financial condition. References to U.S. GAAP in these footnotes are to the *FASB Accounting Standards Codification*™, sometimes referred to as the "Codification" or "ASC".

Principles of consolidation: The consolidated financial statements include the accounts of the College and its related entities in which it has a controlling financial interest. All significant intercompany transactions and accounts are eliminated in consolidation.

Management's use of estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from these estimates.

Financial statement presentation: To ensure observance of limitations and restrictions placed on the use of resources available to the College, resources are classified for accounting and financial reporting purposes into categories established according to their nature and purposes. The assets, liabilities and net assets of the College are reported in three categories as follows:

> *Unrestricted net assets* - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets include the revenues and expenses of the primary operations of the College.
>
> *Temporarily restricted net assets* - Net assets subject to donor or grant-imposed stipulations that may or will be met either by actions of the College and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities.
>
> *Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that are required to be maintained permanently by the College.

Revenues are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Contributions restricted by the donor are reported as increases in unrestricted net assets if the restrictions are met in the fiscal year in which the contributions are received. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Revenue recognition: Deferred tuition represents amounts collected in advance of providing the instruction. Amounts are deferred and recognized as revenue as the instruction is provided. The College recognizes the tuition ratably over the length of the academic program. Revenues include tuition, fees, and other revenues, reduced by various discounts. Costs of providing services to students are charged to expenses as incurred. Registration fees are recognized over the applicable school period.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Cash and cash equivalents: The College considers short-term, highly liquid investments that are readily convertible to known amounts of cash, and so near their maturity that they present an insignificant risk of change in value from changes in interest rates, and that have an original maturity of three months or less when purchased, to be cash equivalents. The College maintains funds in accounts that at times are in excess of Federal Deposit Insurance Corporation insurance limits; however, the College minimizes this risk by maintaining deposits in high-quality financial institutions. The College has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Student accounts receivable: Student accounts receivable consist primarily of amounts due to the College from its students. The College maintains an allowance for doubtful accounts to reflect the expected amount of student accounts receivable that will not be realized based on past collection history and risks identified among uncollectible accounts. Student accounts receivable are charged to the allowance for doubtful accounts when the College determines the receivable is not collectible. Write-offs for the years ended May 31, 2017 and 2016 were $672,941 and $369,819, respectively. The College evaluates each student's creditworthiness on a case-by-case basis.

Contributions: Contributions in the form of an unconditional promise to give are recognized as revenue by the College in the period in which the promise is received. Conditional promises to give are recognized as revenue when the conditions are met. Amounts to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved and the expected period of payment. The discount on those amounts is computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of discounts (if any) is included in contributions in the accompanying consolidated statement of activities. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as the age of the receivable, creditworthiness of parties, historical collection experience and type of contribution and nature of fundraising activity.

Property and equipment: Property and equipment, including acquisition fees and other acquisition costs incurred, are stated at cost or, in the case of contributions, at fair value at the date of receipt. The College capitalizes property and equipment with a value of $2,500 or more and an estimated useful life of one year or more. Expenditures for ordinary maintenance and repairs are expensed as they are incurred. Significant renovations and improvements, which improve or extend the useful life of the asset, are capitalized.

Depreciation and amortization of property and equipment are accounted for using the straight-line method over the estimated useful lives of the assets as follows:

Building and building improvements	39 years
Furniture and fixtures	5-7 years
Library	3 years
Test kits	3 years
Computer equipment and software	3 years
Leasehold improvements	Shorter of lease term or useful life

Student refunds payable: Student refunds payable represent the excess of loan proceeds over total tuition due that was subsequently paid to the students.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Leases: Operating leases are recognized on a straight-line basis over the term of the lease. Deferred rent in the consolidated statements of financial position is the result of rent escalation clauses in the building leases of the campuses and represents the differences between the straight-line rent expense recorded and the cash payment made on a monthly basis.

Advertising: Advertising and marketing costs are expensed as incurred. Advertising and marketing expenses amounted to $9,281,106 and $9,843,755 for the years ended May 31, 2017 and 2016, respectively.

Fair value of financial instruments: The carrying amounts of cash and cash equivalents, investments, student accounts receivable, other accounts receivable, accounts payable, deferred fees, short-term borrowings and tuition deposits approximate fair value because of the short-term maturity of these financial instruments. The carrying amount of long-term debt and the swap agreements approximates fair value because the interest rates fluctuate with market interest rates.

Income taxes: The College has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of state law and, accordingly, is not subject to federal or state income taxes.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the College may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the College and various positions related to the potential sources of unrelated business taxable income. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended May 31, 2017 and 2016.

The campuses file Form 990s annually in the U.S. federal jurisdiction and in their respective state or district. The campuses' Form 990s for fiscal years ended May 31, 2014, and subsequent years are subject to examination by the Internal Revenue Service.

Recent accounting pronouncements: In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is permitted. The updated standard will now be effective for the College in the fiscal year ending May 31, 2020. The College has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the consolidated financial statements.

In 2017, the College early adopted a portion of the ASU 2016-01, *Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities*. The ASU updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The College early adopted the portion of the ASU that eliminates the requirement to disclose the fair value of financial instruments measured at amortized cost. The remaining portions of the ASU will be effective for the College's 2019 financial statements but can be early adopted in 2018. The College has assessed that the remaining portions of the ASU will not have a significant impact on the financial statements.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for the College in the fiscal year ending May 31, 2021. The College is currently evaluating the impact of the adoption of the standard on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Key elements of the ASU include a reduction in the number of net asset categories from three to two, conforming requirements on releases of capital restrictions, several new requirements related to expense presentation and disclosure (including investment expenses), and new required disclosures communicating information useful in assessing liquidity. The new standard is effective for the College in the fiscal year ending May 31, 2019; early adoption is allowed. The College is currently evaluating the impact of the adoption of the standard on its consolidated financial statements.

Note 2. Investments

The College accounts for its investments at fair value. Realized gains and losses on sales of securities represent the difference between net proceeds received and the cost of the investments. Realized and unrealized gains and losses are included in the consolidated statements of activities and gains and/or losses are allocated to net asset classes, dependent upon donor specifications. If the underlying restriction is met in the same period, realized gains and/or losses are reported under unrestricted net asset classes.

Investment expenses are reported as a reduction of dividend and interest income on investments. The College's investments include various types of investment securities and investment vehicles. Investment securities are exposed to several risks, such as interest rates, currency, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the College's consolidated financial statements.

The College's investment strategy incorporates a diversified asset allocation approach. This strategy provides the College with a long-term and short-term asset mix that is most likely to meet the College's return goals with the appropriate level of risk. The College's management and the finance, investment and audit committee of the System's Board of Trustees review reports provided by the fund managers and attend meetings of the fund managers in order to evaluate the risk associated with these investments. In addition, the System's finance, investment and audit committee monitors its portfolio mix to ensure that it is in accordance with the Board of Trustees' policy.

State law permits the Board of Trustees to appropriate as much of the net appreciation of the investments as is prudent considering the College's long-term and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. The College has certain policies and procedures with respect to the maintenance and application of its funds.

Note 2. Investments (Continued)

The composition of investment assets held by the College is summarized as follows at May 31, 2017 and 2016:

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Equity mutual funds	$ 23,011,649	$ 26,499,406	$ 24,485,165	$ 25,243,615
Fixed income mutual funds	11,887,081	11,877,448	10,437,412	10,486,127
Real Estate Investment Trust mutual funds	1,960,319	1,933,131	-	-
Commercial paper	990,579	998,400	1,983,184	1,983,180
Corporate bonds	13,711,048	13,589,676	13,086,951	12,952,904
Government bonds	1,350,810	1,347,074	-	-
Certificates of deposit	1,665,000	1,673,617	5,495,000	5,548,244
Total	$ 54,576,486	$ 57,918,752	$ 55,487,712	$ 56,214,070

Note 3. Fair Value Measurements

The College follows ASC Topic, Fair Value Measurements and Disclosures, which provides the framework for measuring fair value under U.S. GAAP. This Topic applies to all financial instruments that are being measured and reported on a fair value basis. As defined in the Topic, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the College uses various methods including market, income, and cost approaches. Based on these approaches, the College often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The College utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used on the valuation techniques, the College is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1. Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 assets primarily include listed equities, money market funds, government securities, and mutual funds. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Note 3. Fair Value Measurements (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The College's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

For fiscal years 2017 and 2016, the application of valuation techniques applied to similar assets and liabilities has been consistent with techniques used in previous years. The valuation methodologies used for instruments at fair value are described below:

The College holds investments in equities, fixed income and real estate investment trusts. Investments in securities traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation; other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price. The fair value of corporate bonds is estimated using market price quotes corroborated by recently executed transactions observable in the market. The fair value of commercial paper is estimated using market pricing and other observable market inputs for the same or similar securities obtained from a number of industry standard data providers. For government bonds, the College utilized recent market transactions for identical or similar bonds to corroborate pricing service fair value measurements. Certificates of deposit are held at amortized cost.

The College assesses the levels of financial instruments at each measurement date, and transfers between levels are recognized on the actual date of the event of change in circumstances that caused the transfer in accordance with the College's accounting policy regarding recognition of transfers between levels of the fair value hierarchy. There were no such transfers for fiscal years 2017 or 2016.

Note 3. Fair Value Measurements (Continued)

The following tables present the College's fair value hierarchy for those assets measured at fair value on a recurring basis as of May 31, 2017 and 2016:

2017	Fair Value Measurements Using			
Description	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds:				
Equity securities	$ 26,499,406	$ -	$ -	$ 26,499,406
Real estate investment trusts	11,877,448	-	-	11,877,448
Fixed income	1,933,131	-	-	1,933,131
Total mutual funds	40,309,985	-	-	40,309,985
Commercial paper	-	998,400	-	998,400
Corporate bonds	-	13,589,676	-	13,589,676
Government bonds	-	1,347,074	-	1,347,074
Total equity and fixed income	$ 40,309,985	$ 15,935,150	$ -	56,245,135
Certificates of deposit				1,673,617
Total investments				$ 57,918,752
Other assets				
Investments held for deferred compensation:				
Equity securities	$ 206,423	$ -	$ -	$ 206,423
Fixed income	15,580	-	-	15,580
Total other assets	$ 222,003	$ -	$ -	$ 222,003

2016	Fair Value Measurements Using			
Description	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds:				
Equity securities	$ 25,243,615	$ -	$ -	$ 25,243,615
Fixed income	10,486,127	-	-	10,486,127
Total mutual funds	35,729,742	-	-	35,729,742
Commercial paper	-	1,983,180	-	1,983,180
Corporate bonds	-	12,952,904	-	12,952,904
Total equity and fixed income	$ 35,729,742	$ 14,936,084	$ -	50,665,826
Certificates of deposit				5,548,244
Total investments				$ 56,214,070
Other assets				
Investments held for deferred compensation:				
Equity securities	$ 171,221	$ -	$ -	$ 171,221
Fixed income	9,027	-	-	9,027
Total other assets	$ 180,248	$ -	$ -	$ 180,248

Note 4. Property and Equipment

Property and equipment at May 31, 2017 and 2016, consist of the following:

	2017	2016
Building	$ 15,688,070	$ 15,688,070
Building improvements	4,873,282	4,873,282
Furniture and fixtures	5,322,558	5,180,242
Library	452,760	452,760
Test kits	494,475	494,475
Computer equipment and software	4,497,059	4,128,805
Leasehold improvements	14,223,388	13,495,422
Construction in progress	48,822	-
	45,600,414	44,313,056
Less accumulated depreciation	(24,554,104)	(21,970,486)
Total	$ 21,046,310	$ 22,342,570

Note 5. Commitments and Contingencies

Minimum Future Operating Lease Obligations

The College has various operating leases for several classroom and administrative facilities in Chicago, Illinois; Los Angeles, California; Irvine, California; San Diego, California; and Washington, D.C.

The minimum annual future lease payments are as follows:

Fiscal year ending May 31:	
2018	$ 5,246,214
2019	4,843,724
2020	3,877,227
2021	3,701,034
2022	2,620,073
Thereafter	2,568,870
Total	$ 22,857,142

Rent expense for the years ended May 31, 2017 and 2016, was $4,883,654 and $4,814,643, respectively.

Note 5. Commitments and Contingencies (Continued)

Litigation

In November 2012, the College was made aware of a lawsuit against The Chicago School – LA, alleging fraud and false advertising related to the LA campus Doctorate in Clinical Psychology program's lack of accreditation by the American Psychology Association. The college accrued approximately $1.5 million for estimated losses and future attorney fees associated with this and all related lawsuits, which is recorded in other accrued expenses in the consolidated statement of financial position at May 31, 2016. All claims related to this lawsuit were paid out by May 31, 2017.

Note 6. Employee Benefit Plans

The College offers its employees a basic contributory 403(b) retirement program. Employees' contributions to this plan are tax deferred. The College contributes a discretionary amount of an employee's salary. Expense related to the 403(b) plan for the years ended May 31, 2017 and 2016, was $1,913,237 and $1,876,616, respectively.

The College has a nonqualified 457(b) deferred compensation plan for its president. Contributions to the plan are invested in equity securities. The College made contributions of $18,000 for the fiscal years ended May 31, 2017 and 2016. At May 31, 2017 and 2016, $222,003 and $180,248, respectively, was accrued as a liability and set aside in a separate account for this benefit. The assets held in this account are the property of the College and are subject to the claims of the general creditors. The College accounts for the assets held by this plan as investments held for deferred compensation recorded in other assets, as described in Note 3, with the related liability recorded in other liabilities on the consolidated statements of financial position.

Note 7. Restricted Net Assets

Permanently restricted net assets include the fund for the Naomi Ruth Cohen Institute for Mental Health Education (the Institute Fund) in the amount of $1,374,345 at May 31, 2017 and 2016, respectively. The Institute Fund provides funds to help relieve the stigma and suffering associated with mental illness through education, the promotion of public discussion, and other appropriate means. The annual income is available to be withdrawn by the College for use solely for the purposes described above. This withdrawal is recorded as an appropriation from the Institute Fund. Permanently restricted net assets also include restricted contributions for scholarships of $6,776 at May 31, 2017 and 2016, respectively.

Temporarily restricted net assets are restricted for the following purposes or periods:

	2017	2016
Student financial assistance	$ 63,413	$ 60,924
General purposes	108,144	155,383
Naomi Ruth Cohen Institute for Mental Health Education	393,987	247,659
Total temporarily restricted net assets	$ 565,544	$ 463,966

Note 7. Restricted Net Assets (Continued)

Net assets were released from donor-imposed temporary restrictions by incurring expenses satisfying the restricted purposes as follows:

Student financial assistance	$	3,767	$	56,180
General purposes		48,015		185,861
Naomi Ruth Cohen Institute for Mental Health Education		75,135		35,281
Total net assets released from restrictions	$	126,917	$	277,322

Note 8. Endowment

Endowment funds are recorded in accordance with California-approved Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). A key component of the guidance is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. Another key component of the guidance is a requirement for expanded disclosures about all endowment funds. The state of Illinois adopted a version of UPMIFA effective January 1, 2009.

The College's endowment includes unrestricted net assets resulting from previous earnings from operations. These endowment funds have been designated by management to function as quasi-endowment funds. Net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The College's management has interpreted UPMIFA enacted in the state of California as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the College classifies as permanently restricted net assets: (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the College and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the College; and
7. The investment policies of the College.

Note 8. Endowment (Continued)

Endowment net asset composition by type of fund consists of the following as of May 31, 2017 and 2016:

	2017	2016
Donor-restricted endowment funds, $393,987 and $247,659 temporarily restricted, respectively	$ 1,775,108	$ 1,628,780
Quasi-endowment funds	38,531,953	34,187,547
Total endowment funds	$ 40,307,061	$ 35,816,327

Changes in endowment net assets for the years ended May 31, 2017 and 2016, are as follows:

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 34,187,547	$ 247,659	$ 1,381,121	$ 35,816,327
Investment return:				
Interest and dividends	741,256	35,180	-	776,436
Net appreciation, realized and unrealized	3,692,658	176,870	-	3,869,528
Total investment return	4,433,914	212,050	-	4,645,964
Appropriation for expenditure	(155,230)	(65,722)	-	(220,952)
Transferred to quasi-endowment funds	65,722	-	-	65,722
Endowment net assets, end of year	$ 38,531,953	$ 393,987	$ 1,381,121	$ 40,307,061

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 34,879,536	$ -	$ 1,698,539	$ 36,578,075
Investment return:				
Interest and dividends	1,328,405	65,722	-	1,394,127
Net appreciation, realized and unrealized	(2,055,675)	(100,200)	-	(2,155,875)
Total investment return	(727,270)	(34,478)	-	(761,748)
Appropriation for expenditure	-	(35,281)	-	(35,281)
Transferred to quasi-endowment funds	35,281	-	-	35,281
Change in donor designation	-	317,418	(317,418)	-
Endowment net assets, end of year	$ 34,187,547	$ 247,659	$ 1,381,121	$ 35,816,327

During fiscal year 2016, the College reclassified $317,418 of permanently restricted net assets to temporarily restricted net assets pursuant to donors’ instructions.

Note 8. Endowment (Continued)

Return Objectives and Risk Parameters

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the finance and investment and audit committee, the benchmark for the equity portion of the endowment shall be the CRSP US Total Market Index and the FTSE Global All Cap ex US Index. For fixed income investments, the benchmark shall be the Barclays Aggregate Bond Index. For real estate investment trusts (REIT), the benchmark portion shall be the MSCI US REIT Index. Actual returns in any year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term, rate-of-return objectives, the College relies on a total return strategy, without regard to capital gains and income. To provide consistent long-term growth, the College targets a diversified asset allocation strategy. Current investment policy guidelines disallow more than 65 percent of equity investments in the total investment fund at purchase. Due to market fluctuations, asset allocation variances up to 5 percent above or below the 65 percent threshold are deemed acceptable.

Endowment Use and Restrictions

Any withdrawal or disbursement of investment returns shall be used according to stipulations as stated in the investment policy of the College and donor stipulations.

Note 9. Subsequent Events

Management has evaluated all events or transactions that occurred after May 31, 2017 through October 20, 2017, the date the consolidated financial statements are available for issuance, for potential recognition or disclosure in the consolidated financial statements.

Supplementary Information

RSM

RSM US LLP

Independent Auditor's Report on the Supplementary Information

The Board of Trustees
The Chicago School – California, Inc d/b/a The Chicago School of Professional Psychology

We have audited the consolidated financial statements of The Chicago School – California, Inc d/b/a The Chicago School of Professional Psychology as of and for the years ended May 31, 2017 and 2016, and have issued our report thereon, dated October 20, 2017, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The accompanying supplementary information is presented for purposes of additional analysis and is 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 audits 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.

RSM US LLP

Chicago, Illinois
October 20, 2017

The Chicago School – California, Inc
d/b/a The Chicago School of Professional Psychology

Consolidating Schedule of Financial Position
May 31, 2017

	TCSPP Chicago Campus	The Chicago School California, Inc	TCSPP Counseling Centers	The Chicago School Washington D.C., Inc	Eliminations	TCSPP Total
Assets						
Current assets:						
Cash and cash equivalents	$ 7,448,618	$ 15,242,126	$ 36,749	$ 2,347,193	$ -	$ 25,074,686
Investments	44,056,284	13,862,468	-	-	-	57,918,752
Student accounts receivable, net	138,968	355,086	-	43,168	-	537,222
Other accounts receivable	520,008	16,769	-	108,640	-	645,417
Due from affiliate	-	43,376,611	-	-	(43,376,611)	-
Prepaid expenses	354,526	489,152	19,826	171,086	-	1,034,590
Total current assets	52,518,404	73,342,212	56,575	2,670,087	(43,376,611)	85,210,667
Property and equipment, net	15,267,910	3,727,000	210,134	1,841,266	-	21,046,310
Other long-term assets:						
Other assets	-	436,787	15,060	57,517	-	509,364
Total long-term assets	-	436,787	15,060	57,517	-	509,364
Total assets	$ 67,786,314	$ 77,505,999	$ 281,769	$ 4,568,870	$ (43,376,611)	$ 106,766,341

The Chicago School – California, Inc
d/b/a The Chicago School of Professional Psychology

Consolidating Schedule of Financial Position (Continued)
May 31, 2017

	TCSPP Chicago Campus	The Chicago School California, Inc	TCSPP Counseling Centers	The Chicago School Washington D.C., Inc	Eliminations	TCSPP Total
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	$ 37,388	$ 119,154	$ -	$ 740	$ -	$ 157,282
Student refunds payable	195,014	512,585	-	106,769	-	814,368
Accrued compensation related expenses	783,556	3,402,924	56,080	207,904	-	4,450,464
Other accrued expenses	424,312	394,008	578	14,103	-	833,001
Other payables	252,313	51,178	6,095	7,625	-	317,211
Deferred revenue and tuition deposits	4,649,093	6,930,526	-	1,317,794	-	12,897,413
Current portion of deferred rent	45,014	655,006	35,594	167,645	-	903,259
Due to affiliates	15,685,120	19,837,471	2,452,647	5,786,771	(43,376,611)	385,398
Total current liabilities	22,071,810	31,902,852	2,550,994	7,609,351	(43,376,611)	20,758,396
Long-term liabilities:						
Deferred rent, net of current portion	433,521	1,056,897	92,498	1,620,652	-	3,203,568
Other liabilities	-	222,003	-	-	-	222,003
Total long-term liabilities	433,521	1,278,900	92,498	1,620,652	-	3,425,571
Total liabilities	22,505,331	33,181,752	2,643,492	9,230,003	(43,376,611)	24,183,967
Net assets:						
Unrestricted net assets	4,868,011	44,262,816	(2,361,723)	(4,665,348)	-	42,103,756
Quasi-endowment funds	38,531,953	-	-	-	-	38,531,953
Total unrestricted net assets	43,399,964	44,262,816	(2,361,723)	(4,665,348)	-	80,635,709
Temporarily restricted net assets	499,898	61,431	-	4,215	-	565,544
Permanently restricted net assets	1,381,121	-	-	-	-	1,381,121
Total net assets	45,280,983	44,324,247	(2,361,723)	(4,661,133)	-	82,582,374
Total liabilities and net assets	$ 67,786,314	$ 77,505,999	$ 281,769	$ 4,568,870	$ (43,376,611)	$ 106,766,341

The Chicago School – California, Inc
d/b/a The Chicago School of Professional Psychology

Consolidating Schedule of Financial Position
May 31, 2016

	TCSPP Chicago Campus	The Chicago School California, Inc	TCSPP Counseling Centers	The Chicago School Washington D.C., Inc	Eliminations	TCSPP Total
Assets						
Current assets:						
Cash and cash equivalents	$ 1,457,409	$ 17,365,692	$ 63,689	$ 563,658	$ -	$ 19,450,448
Investments	41,361,845	14,852,225	-	-	-	56,214,070
Student accounts receivable, net	129,384	406,584	-	34,075	-	570,043
Other accounts receivable	425,986	46,053	-	116,649	-	588,688
Due from affiliate	-	24,458,709	-	-	(24,458,709)	-
Prepaid expenses	94,046	238,113	-	10,161	-	342,320
Total current assets	43,468,670	57,367,376	63,689	724,543	(24,458,709)	77,165,569
Property and equipment, net	15,962,183	3,960,749	284,163	2,135,475	-	22,342,570
Other long-term assets:						
Other assets	-	401,388	15,060	57,517	-	473,965
Total long-term assets	-	401,388	15,060	57,517	-	473,965
Total assets	$ 59,430,853	$ 61,729,513	$ 362,912	$ 2,917,535	$ (24,458,709)	$ 99,982,104

The Chicago School – California, Inc
d/b/a The Chicago School of Professional Psychology

Consolidating Schedule of Financial Position (Continued)
May 31, 2016

	TCSPP Chicago Campus	The Chicago School California, Inc	TCSPP Counseling Centers	The Chicago School Washington D.C., Inc	Eliminations	TCSPP Total
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	$ 20,015	$ 25,787	$ -	$ 530	$ -	$ 46,332
Student refunds payable	708,660	2,437,600	-	149,009	-	3,295,269
Accrued compensation related expenses	1,182,542	2,118,290	43,749	235,530	-	3,580,111
Other accrued expenses	363,138	3,354,758	244	33,159	-	3,751,299
Other payables	215,482	82,795	5,650	7,714	-	311,641
Deferred revenue and tuition deposits	5,088,369	6,345,549	-	1,285,425	-	12,719,343
Current portion of deferred rent	13,051	519,672	24,716	127,082	-	684,521
Due to affiliates	12,198,058	8,925,081	1,680,379	2,188,710	(24,458,709)	533,519
Total current liabilities	19,789,315	23,809,532	1,754,738	4,027,159	(24,458,709)	24,922,035
Long-term liabilities:						
Deferred rent, net of current portion	478,172	1,292,406	128,093	1,788,297	-	3,686,968
Other liabilities	-	180,248	-	-	-	180,248
Total long-term liabilities	478,172	1,472,654	128,093	1,788,297	-	3,867,216
Total liabilities	20,267,487	25,282,186	1,882,831	5,815,456	(24,458,709)	28,789,251
Net assets:						
Unrestricted net assets	3,209,426	36,375,930	(1,519,919)	(2,905,218)	-	35,160,219
Quasi-endowment funds	34,187,547	-	-	-	-	34,187,547
Total unrestricted net assets	37,396,973	36,375,930	(1,519,919)	(2,905,218)	-	69,347,766
Temporarily restricted net assets	385,272	71,397	-	7,297	-	463,966
Permanently restricted net assets	1,381,121	-	-	-	-	1,381,121
Total net assets	39,163,366	36,447,327	(1,519,919)	(2,897,921)	-	71,192,853
Total liabilities and net assets	$ 59,430,853	$ 61,729,513	$ 362,912	$ 2,917,535	$ (24,458,709)	$ 99,982,104

The Chicago School – California, Inc
d/b/a The Chicago School of Professional Psychology

Consolidating Schedule of Activities
Year Ended May 31, 2017

	TCSPP Chicago Campus	The Chicago School California, Inc	TCSPP Counseling Centers	The Chicago School Washington D.C., Inc	Eliminations	TCSPP Total
Revenues:						
Tuition revenue	$ 30,988,621	$ 49,569,667	$ -	$ 7,231,962	$ -	$ 87,790,250
Less scholarships	(1,270,955)	(1,258,258)	-	(293,830)	-	(2,823,043)
Net tuition revenue	29,717,666	48,311,409	-	6,938,132	-	84,967,207
Fee revenue	2,692,455	5,341,269	-	690,351	-	8,724,075
Contributions	912,331	83,145	275	185,390	-	1,181,141
Other school revenue	81,158	225,529	243,374	(17,053)	-	533,008
Intercompany revenue	-	9,570,739	-	-	(9,570,739)	-
Total revenues	33,403,610	63,532,091	243,649	7,796,820	(9,570,739)	95,405,431
Expenses:						
Educational services and facilities	16,802,933	26,334,173	930,601	4,431,156	-	48,498,863
Management, general, and administration	14,270,657	27,731,179	80,824	4,770,430	(9,570,739)	37,282,351
Fundraising	-	500,564	-	-	-	500,564
Depreciation and amortization	904,573	1,246,571	74,028	358,446	-	2,583,618
Total expenses	31,978,163	55,812,487	1,085,453	9,560,032	(9,570,739)	88,865,396
Increase (decrease) in net assets before other income (expense)	1,425,447	7,719,604	(841,804)	(1,763,212)	-	6,540,035
Non-operating items:						
Interest and dividends	829,492	156,675	-	-	-	986,167
Net gains on investments	3,862,678	(23,114)	-	-	-	3,839,564
Other non-operating items	-	23,755	-	-	-	23,755
Total non-operating items	4,692,170	157,316	-	-	-	4,849,486
Changes in net assets	6,117,617	7,876,920	(841,804)	(1,763,212)	-	11,389,521
Net assets, beginning of the year	39,163,366	36,447,327	(1,519,919)	(2,897,921)	-	71,192,853
Net assets, end of the year	$ 45,280,983	$ 44,324,247	$ (2,361,723)	$ (4,661,133)	$ -	$ 82,582,374

The Chicago School – California, Inc
d/b/a The Chicago School of Professional Psychology

Consolidating Schedule of Activities
Year Ended May 31, 2016

	TCSPP Chicago Campus	The Chicago School California, Inc	TCSPP Counseling Centers	The Chicago School Washington D.C., Inc	Eliminations	TCSPP Total
Revenues:						
Tuition revenue	$ 32,113,151	$ 44,929,294	$ -	$ 7,618,511	$ -	$ 84,660,956
Less scholarships	(971,575)	(1,479,321)	-	(673,058)	-	(3,123,954)
Net tuition revenue	31,141,576	43,449,973	-	6,945,453	-	81,537,002
Fee revenue	2,723,140	4,765,216	-	669,397	-	8,157,753
Contributions	490,698	130,644	-	633,750	-	1,255,092
Other school revenue	92,845	165,159	204,515	9,685	-	472,204
Intercompany revenue	-	10,489,003	-	-	(10,489,003)	-
Total revenues	34,448,259	58,999,995	204,515	8,258,285	(10,489,003)	91,422,051
Expenses:						
Educational services and facilities	17,840,443	24,763,576	789,914	4,416,320	-	47,810,253
Management, general, and administration	15,528,418	27,270,350	78,030	4,008,187	(10,489,003)	36,395,982
Fundraising	-	679,382	-	-	-	679,382
Depreciation and amortization	1,000,604	1,217,314	72,402	344,529	-	2,634,849
Total expenses	34,369,465	53,930,622	940,346	8,769,036	(10,489,003)	87,520,466
Increase (decrease) in net assets before other income (expense)	78,794	5,069,373	(735,831)	(510,751)	-	3,901,585
Non-operating items:						
Interest and dividends	1,447,969	149,625	-	-	-	1,597,594
Net realized gains on investments	865	-	-	-	-	865
Net unrealized gains on investments	(2,159,327)	(1,144)	-	-	-	(2,160,471)
Net unrealized gains on interest rate swap	(117,170)	-	-	-	-	(117,170)
Other non-operating items	-	(4,419)	-	-	-	(4,419)
Total non-operating items	(827,663)	144,062	-	-	-	(683,601)
Changes in net assets	(748,869)	5,213,435	(735,831)	(510,751)	-	3,217,984
Net assets, beginning of the year	39,912,235	31,233,892	(784,088)	(2,387,170)	-	67,974,869
Net assets, end of the year	$ 39,163,366	$ 36,447,327	$ (1,519,919)	$ (2,897,921)	$ -	$ 71,192,853