

Animal Behavior College, Inc

Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

December 31, 2022 and 2021

Animal Behavior College, Inc

Index

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Balance Sheets	4
Statements of Income	5
Statements of Changes in Stockholder's Equity	6
Statements of Cash Flows	7
Notes to Financial Statements	8
Supplementary Information	
Schedules of Operating Expenses	16

Independent Auditor's Report

To the Board of Directors
Animal Behavior College, Inc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Animal Behavior College, Inc, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Animal Behavior College, Inc as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Animal Behavior College, Inc and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis-of-Matter

As discussed in Note 1 to the financial statements, in 2022, Animal Behavior College, Inc adopted Financial Accounting Standards Board Accounting Standards Codification 842, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Animal Behavior College, Inc's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Animal Behavior College, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Animal Behavior College, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of operating expenses for the years ended December 31, 2022 and 2021 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the 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 financial statements as a whole.



Los Angeles, California
May 11, 2023

Animal Behavior College, Inc

Balance Sheets December 31, 2022 and 2021

Assets

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 1,207,057	\$ 2,732,823
Certificates of deposit	100,000	100,000
Accounts receivable, less allowance for doubtful accounts of \$305,068 and \$312,052	1,306,167	1,401,689
Prepaid expenses	<u>274,766</u>	<u>170,538</u>
Total current assets	2,887,990	4,405,050
Property and equipment, net	30,848	54,587
Right of use asset	417,182	-
Deposits	<u>12,290</u>	<u>12,290</u>
Total assets	<u>\$ 3,348,310</u>	<u>\$ 4,471,927</u>

Liabilities and Stockholder's Equity

Current liabilities		
Accounts payable and accrued expenses	\$ 732,146	\$ 915,598
Unearned revenue	1,140,450	1,354,261
Current portion of operating lease liability	138,336	-
Current portion of financing lease obligation	<u>2,588</u>	<u>15,162</u>
Total current liabilities	2,013,520	2,285,021
Deferred rent	-	6,751
Operating lease liability, net of current portion	285,292	-
Financing lease obligation, net of current portion	<u>447</u>	<u>3,035</u>
Total liabilities	<u>2,299,259</u>	<u>2,294,807</u>
Contingencies		
Stockholder's equity		
Common stock, no par value; 5,000,000 shares authorized and 1,000,000 shares issued and outstanding	14,000	14,000
Retained earnings	<u>1,035,051</u>	<u>2,163,120</u>
Total stockholder's equity	<u>1,049,051</u>	<u>2,177,120</u>
Total liabilities and stockholder's equity	<u>\$ 3,348,310</u>	<u>\$ 4,471,927</u>

See Notes to Financial Statements.

Animal Behavior College, Inc

**Statements of Income
Years Ended December 31, 2022 and 2021**

	2022			2021	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
Net tuition and fees	\$ 10,468,336	100.0 %		\$ 11,657,873	100.0 %
Operating expenses	<u>10,529,933</u>	<u>100.6</u>		<u>11,016,125</u>	<u>94.5</u>
Income (loss) from operations before other income (expense)	<u>(61,597)</u>	<u>(0.6)</u>		<u>641,748</u>	<u>5.5</u>
Other income (expense)					
Interest, net	423	-		(69)	-
PPP loan forgiveness	-	-		785,642	6.7
Gain on early lease termination	-	-		21,818	0.2
Other	<u>81,954</u>	<u>0.8</u>		<u>88,700</u>	<u>0.8</u>
Total	<u>82,377</u>	<u>0.8</u>		<u>896,091</u>	<u>0.8</u>
Income before income tax expense	20,780	0.2		1,537,839	13.2
Income tax expense	<u>1,050</u>	<u>-</u>		<u>86,418</u>	<u>0.7</u>
Net income	<u><u>\$ 19,730</u></u>	<u><u>0.2 %</u></u>		<u><u>\$ 1,451,421</u></u>	<u><u>12.5 %</u></u>

See Notes to Financial Statements.

Animal Behavior College, Inc

**Statements of Changes in Stockholder's Equity
Years Ended December 31, 2022 and 2021**

	Common stock		Retained earnings	Total stockholder's equity
	Shares	Amount		
Balance, January 1, 2021	1,000,000	\$ 14,000	\$ 1,501,564	\$ 1,515,564
Distributions to stockholder	-	-	(789,865)	(789,865)
Net income	<u>-</u>	<u>-</u>	<u>1,451,421</u>	<u>1,451,421</u>
Balance, December 31, 2021	1,000,000	14,000	2,163,120	2,177,120
Distributions to stockholder	-	-	(1,147,799)	(1,147,799)
Net income	<u>-</u>	<u>-</u>	<u>19,730</u>	<u>19,730</u>
Balance, December 31, 2022	<u><u>1,000,000</u></u>	<u><u>\$ 14,000</u></u>	<u><u>\$ 1,035,051</u></u>	<u><u>\$ 1,049,051</u></u>

See Notes to Financial Statements.

Animal Behavior College, Inc

Statements of Cash Flows Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Net income	\$ 19,730	\$ 1,451,421
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	30,008	46,870
Amortization of right of use asset	120,709	-
Loss on disposal of property and equipment	-	908
PPP loan forgiveness	-	(785,642)
Gain on early lease termination	-	(21,818)
Deferred rent	(6,751)	(50,112)
Changes in operating assets and liabilities		
Accounts receivable	95,522	(55,720)
Deposits	-	7,710
Prepaid expenses	(104,228)	(4,300)
Accounts payable and accrued expenses	(183,452)	126,634
Unearned revenue	(213,811)	(16,192)
Other liabilities	-	(3,885)
Operating leases	(114,262)	-
Net cash provided by (used in) operating activities	(356,535)	695,874
Cash flows from investing activities		
Purchases of property and equipment	(6,270)	(21,371)
Net cash used in investing activities	(6,270)	(21,371)
Cash flows from financing activities		
Repayment of capital lease obligation	(15,162)	(21,984)
Distributions to stockholder	(1,147,799)	(789,865)
Net cash used in financing activities	(1,162,961)	(811,849)
Net decrease in cash and cash equivalents	(1,525,766)	(137,346)
Cash and cash equivalents, beginning	2,732,823	2,870,169
Cash and cash equivalents, end	\$ 1,207,057	\$ 2,732,823
Supplemental disclosure of cash flow data		
Interest paid	\$ 1,967	\$ 1,967
Supplemental disclosure of noncash financing activities		
Right of use asset obtained in exchange for operating lease liability	\$ 537,889	\$ -
Equipment acquired under capital lease	\$ -	\$ 7,395

See Notes to Financial Statements.

Animal Behavior College, Inc

Notes to Financial Statements December 31, 2022 and 2021

Note 1 - Business and summary of significant accounting policies

Business

Animal Behavior College, Inc (the "Company") is primarily engaged in the training of individuals to become animal trainers, veterinary assistants and groomers throughout the United States and Canada.

Fair value measurements

The Company values its financial assets and liabilities on a recurring basis based on 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 order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Cash equivalents and certificates of deposit

The Company considers all highly liquid investments having a maturity of three months or less when purchased to be cash equivalents. Certificates of deposit with a maturity longer than three months but less than a year are considered short-term investments and are carried at amortized cost, which approximates fair value. Certificates of deposit with a maturity greater than one year are considered long-term investments. At December 31, 2022 and 2021, all certificates of deposit are considered Level 2 investments.

Accounts receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts of \$305,068, \$312,052, and \$116,905 at December 31, 2022, 2021, and 2020, respectively. The Company provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of the students to meet their obligations.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method based on the estimated useful lives of the assets, generally ranging from five to seven years. Expenditures for major renewals and improvements that extend the useful lives of property and equipment are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful life of the asset or the remaining lease term.

Animal Behavior College, Inc

Notes to Financial Statements December 31, 2022 and 2021

Long-lived assets

Long-lived assets to be held and used are reviewed for events or changes in circumstances that indicate that their carrying value may not be recoverable. The Company periodically reviews the carrying value of long-lived assets to determine whether an impairment to such value has occurred. No impairments were recorded during the years ended December 31, 2022 and 2021.

Income taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. A similar election was also made for California tax purposes. Under these provisions, the Company does not pay federal corporate income taxes, but is subject to a 1.5% California corporate income tax. The stockholder of the Company reports the Company's taxable income on his individual income tax returns.

Income taxes are recognized for the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets are recognized for the future tax consequences of transactions that have been recognized in the Company's financial statements or tax returns. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. At December 31, 2022 and 2021, and for the years then ended, deferred income taxes were not material to the Company's financial statements and, accordingly, were not recorded. For the years ended December 31, 2022 and 2021, current income tax expense was \$1,050 and \$86,418, respectively. For the year ended December 31, 2022 and 2021, \$0 and \$85,618 of the current income tax expense is related to the California pass through entity elective tax.

The Company has no unrecognized tax benefits at December 31, 2022 and 2021. The Company's federal and California income tax returns prior to fiscal years 2019 and 2018, respectively, are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

When necessary, the Company recognizes interest and penalties associated with tax matters as operating expenses and includes accrued interest and penalties with the related tax liability in the balance sheets.

Revenue recognition

Revenue is recognized when control of the promised service is transferred to the Company's customers, in an amount that depicts the consideration the Company expects to be entitled to in exchange for those services. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties.

Revenue is recognized at the standard tuition rate in effect at the beginning of each program. Tuition and fees are recognized over the period in which the programs are run. Amounts received prior to the program period are recorded as unearned revenue. At December 31, 2022 and 2021, approximately \$30,255 and \$129,684, respectively, of the amounts included in unearned revenue were nonrefundable.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$3,721,298 and \$3,990,955 for the years ended December 31, 2022 and 2021, respectively.

Animal Behavior College, Inc

Notes to Financial Statements December 31, 2022 and 2021

Deferred rent

The Company records rent expense under its operating lease over the lease term. The difference between the actual payments and rent expense computed on a straight-line basis is recorded as deferred rent.

Use of estimates

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

New accounting pronouncements

The Company adopted Accounting Standards Update 2016-02 (as amended), *Leases* ("Topic 842") on January 1, 2022. Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for most leases. The Company elected and applied the following transition practical expedients when initially adopting Topic 842:

- To apply the provisions of Topic 842 at the adoption date, instead of applying them to the earliest comparative period presented in the financial statements.
- The package of practical expedients permitting the Company to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

The Company recognized the following as of the adoption date in connection with transitioning to Topic 842:

	As of <u>January 1, 2022</u>
Operating lease right of use assets	\$ 537,889
Operating lease liabilities	\$ 537,889

The Company's adoption of Topic 842 also resulted in a decrease of \$6,751 in deferred rent, which was reclassified to a right of use asset at adoption.

The Company presents its right of use asset and operating lease liability separately on its balance sheets. See Note 6 for the Company's right of use asset and operating lease liability as of and for the year ended December 31, 2022.

Subsequent events

The Company has evaluated subsequent events through May 11, 2023, which is the date the financial statements were available to be issued.

Note 2 - Concentrations

The Company maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits.

Animal Behavior College, Inc

**Notes to Financial Statements
December 31, 2022 and 2021**

Note 3 - Property and equipment

At December 31, 2022 and 2021, property and equipment consist of the following:

	2022	2021
Computer equipment	\$ 165,576	\$ 179,935
Furniture and fixtures	10,500	11,600
Telephone equipment	7,395	7,395
Office equipment	23,360	23,360
	206,831	222,290
Less accumulated depreciation and amortization	175,983	167,703
	<u>\$ 30,848</u>	<u>\$ 54,587</u>

For the years ended December 31, 2022 and 2021 depreciation expense was \$30,008 and \$46,870, respectively.

Note 4 - Employee benefit plan

The Company maintains a defined contribution plan (the "Plan") established under Section 401(k) of the Internal Revenue Code for all eligible employees. An employee may participate after having completed one year of service as defined by the Plan and upon attaining age 21. The Company may make discretionary profit sharing contributions to the Plan. The Company has not made any contributions for the Plan for the years ended December 31, 2022 and 2021.

Note 5 - Contingencies

Litigation

The Company is subject to claims and litigation in the ordinary course of business, the outcome of which cannot be predicted with certainty. In the opinion of management, the Company has sufficient liability insurance to cover any such claims, and, in the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the Company's financial position or results of operations.

Note 6 - Right of use asset and operating lease liability

The Company leases its office space under a noncancelable operating lease through February 2026. All contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Company recognizes an operating lease liability, which is measured at the present value of future lease payments, and a corresponding right of use asset equal to the lease liability, adjusted for prepaid lease costs, initial direct costs and lease incentives. The Company has elected and applies the practical expedient available to lessees to combine nonlease components with their related lease components and account for them as a single combined lease component for all its leases. The Company remeasures lease liabilities and related right of use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

Animal Behavior College, Inc

Notes to Financial Statements December 31, 2022 and 2021

The Company determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Company uses the risk free rate on the date of lease commencement.

For accounting purposes, the Company's leases commence on the earlier of (i) the date upon which the Company obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the Company's leases coincides with the contractual effective date. The Company's leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the Company and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts. Unless the Company determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or nonexercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term. When the exercise of a renewal option or nonexercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The Company includes variable rental payments based on a rate or an index such as the Consumer Price index (CPI) in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

Leases Involving Real Estate

The lease of the Company's corporate office was entered into on March 1, 2021 and is set to expire on February 28, 2026. These terms have been incorporated into the Company's measurement of the related right of use asset and operating lease liability. Although the Company's real estate lease includes an option to renew that can extend the contractual terms by one additional 5-year period, this renewal option is exercisable solely at the Company's discretion and has been excluded from lease term measurements. The Company's real estate lease generally requires reimbursement of real estate taxes, common area maintenance, and insurance.

Rental payments on these leases typically provide for fixed minimum payments that increase over the lease term at predetermined amounts. These rental payments are recognized as rent expense.

Financial Information

At December 31, 2022, the Company has a remaining right of use asset of \$417,182, an operating lease liability of \$423,628, and the rent expense for the years ended December 31, 2022 and 2021 was \$136,501 and \$218,172, respectively.

The weighted average remaining lease term is 38 months or 3.2 years as of December 31, 2022.

The weighted average discount rate for the Company's operating lease as of December 31, 2022 is 4.22%. The Company has elected to use risk-free rates as the discount rate for all its leases involving other classes of underlying assets. The Company uses rates on US government securities for periods comparable with lease terms as risk-free rates.

Animal Behavior College, Inc

**Notes to Financial Statements
December 31, 2022 and 2021**

Annual maturity analysis of the Company's lease liabilities as of December 31, 2022:

2023	\$	138,336
2024		142,486
2025		146,761
2026		<u>24,579</u>
Grand total		452,162
Less interest		<u>(28,534)</u>
Total lease liability	\$	<u><u>423,628</u></u>

Note 7 - Finance lease obligation

The Company has entered into a finance lease agreement. The lease is collateralized by equipment and expires through January 2024. The equipment is included in telephone and computer equipment (see Note 3) at December 31, 2022 and 2021.

The net balance of property and equipment under finance leases as of December 31, 2022 and 2021, consists of the following:

	<u>2022</u>	<u>2021</u>
Gross amount of equipment under finance lease	\$ 92,275	\$ 92,275
Less accumulated amortization	<u>(90,632)</u>	<u>(87,336)</u>
	<u><u>\$ 1,643</u></u>	<u><u>\$ 4,939</u></u>

The following is a schedule by years of future minimum lease payments under the finance lease obligation together with the present value of the net minimum lease payments:

2023	\$ 2,700
2024	<u>893</u>
	3,593
Less amount representing interest	<u>(558)</u>
Present value of net minimum lease payments	3,035
Less current portion	<u>(2,588)</u>
Finance lease obligation, net of current portion	<u><u>\$ 447</u></u>

Amortization of assets held under the finance lease is recorded in depreciation and amortization expense.

Animal Behavior College, Inc

**Notes to Financial Statements
December 31, 2022 and 2021**

Note 8 - PPP Loan

In May 2020, the Company entered into an unsecured promissory note with a commercial bank for an aggregate principal amount of approximately \$785,642 pursuant to the Paycheck Protection Program (the "PPP Loan"), which was established under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and is administered by the U.S. Small Business Administration (the "SBA"). The loan has a two-year maturity and includes a fixed interest rate of 1% per year until the maturity date. The PPP Loan promissory note contains customary events of default relating to, among other things, payment defaults, breach of representations and warranties, or provisions of the promissory note. The occurrence of an event of default may result in the repayment of all amounts outstanding and/or filing suit and obtaining judgment against the Company.

The Company applied and received full forgiveness of the \$785,642 on March 17, 2021.

Supplementary Information

Animal Behavior College, Inc

Schedules of Operating Expenses Years Ended December 31, 2022 and 2021

	2022			2021	
	Amount	Percent		Amount	Percent
Advertising	\$ 3,721,298	35.5 %	\$	3,990,955	34.2 %
Automobile	20,238	0.2		19,451	0.2
Bad debts	1,500	-		-	-
Bank charges	288,529	2.8		283,302	2.4
Computer	1,247	-		8,768	0.1
Credit card fees	112,076	1.1		114,298	1.0
Depreciation and amortization	30,008	0.3		46,870	0.4
Donations	400	-		200	-
Educational supplies	365,337	3.5		374,211	3.2
Employee benefits	118,621	1.1		151,811	1.3
Entrance exams	2,230	-		17,550	0.2
Equipment rental	49,243	0.5		67,013	0.6
Insurance	155,467	1.5		142,578	1.2
Miscellaneous	(41,950)	(0.4)		10,293	0.1
Office	7,837	0.1		16,029	0.1
Payroll processing	19,070	0.2		18,068	0.2
Payroll taxes	330,859	3.2		340,202	2.9
Postage	73,196	0.7		80,539	0.7
Professional fees	495,916	4.7		538,231	4.6
Rent	136,501	1.3		218,172	1.9
Salaries, including independent contractors	4,503,949	43.0		4,438,202	38.1
Taxes and licenses	24,720	0.2		26,030	0.2
Telephone and utilities	99,649	1.0		96,347	0.8
Travel	369	-		490	-
Website	13,623	0.1		16,515	0.1
Total	<u>\$ 10,529,933</u>	<u>100.6 %</u>	<u>\$</u>	<u>11,016,125</u>	<u>94.5 %</u>

See Independent Auditor's Report.



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