COLLEGE POSSIBLE, INC.
St. Paul, Minnesota

FINANCIAL STATEMENTS
Including Independent Auditors' Report

As of and for the Years Ended June 30, 2018 and 2017

COLLEGE POSSIBLE, INC.

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
College Possible, Inc.
Saint Paul, Minnesota

We have audited the accompanying financial statements of College Possible, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2018, and the changes in its net assets, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of College Possible, Inc. as of June 30, 2017, were audited by other auditors whose report dated December 14, 2017, expressed an unmodified opinion on those statements.

Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota
December 14, 2018

COLLEGE POSSIBLE, INC.

STATEMENTS OF FINANCIAL POSITION
As of June 30, 2018 and 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,042,090	$ 5,807,252
Accounts receivable	733,284	690,840
Promises to give	4,132,700	2,980,203
Prepaid expenses	348,960	329,220
Total current assets	7,257,034	9,807,515
OTHER ASSETS		
Investments	3,658,680	2,044,712
Promises to give, net	2,385,390	687,592
Total other assets	6,044,070	2,732,304
EQUIPMENT AND LEASEHOLD IMPROVEMENTS		
Computer software and equipment	1,419,440	995,127
Furniture and fixtures	704,494	648,013
Leasehold improvements	116,402	90,880
	2,240,336	1,734,020
Less accumulated depreciation	(1,230,418)	(888,788)
Total equipment and leasehold improvements	1,009,918	845,232
TOTAL ASSETS	$ 14,311,022	$ 13,385,051
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 416,697	$ 276,477
Accrued expenses	731,850	713,850
Deferred revenue	58,826	159,257
Capital lease obligation	13,342	15,565
Total current liabilities	1,220,715	1,165,149
LONG-TERM LIABILITIES		
Deferred compensation	30,000	30,000
Deferred rent	20,769	52,531
Capital lease obligation	4,452	17,773
Total long-term liabilities	55,221	100,304
TOTAL LIABILITIES	1,275,936	1,265,453
NET ASSETS		
Unrestricted	5,243,621	4,921,725
Temporarily restricted	7,791,465	7,197,873
TOTAL NET ASSETS	13,035,086	12,119,598
TOTAL LIABILITIES AND NET ASSETS	$ 14,311,022	$ 13,385,051

See accompanying notes to financial statements.

COLLEGE POSSIBLE, INC.

STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2018 and 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Public Support						
Contributions and grants	$ 8,835,938	$ 5,977,540	$ 14,813,478	$ 7,964,873	$ 6,239,301	$ 14,204,174
Government grants	4,384,547	-	4,384,547	4,694,206	-	4,694,206
Other contributions	1,728,690	-	1,728,690	1,699,553	-	1,699,553
Total Public Support	14,949,175	5,977,540	20,926,715	14,358,632	6,239,301	20,597,933
Program and Other Revenue						
Consortium fees	190,975	-	190,975	223,725	-	223,725
Investment income	133,402	-	133,402	69,088	-	69,088
Program service fees	154,250	-	154,250	123,000	-	123,000
Miscellaneous Income	6,249	-	6,249	-	-	-
Total Program and Other Revenue	484,876	-	484,876	415,813	-	415,813
Net assets released from restrictions	5,383,948	(5,383,948)	-	3,401,579	(3,401,579)	-
Total Support and Revenue	20,817,999	593,592	21,411,591	18,176,024	2,837,722	21,013,746
EXPENSE						
Program services	15,950,178	-	15,950,178	14,439,353	-	14,439,353
General and administrative	2,019,127	-	2,019,127	1,851,320	-	1,851,320
Fundraising	2,526,798	-	2,526,798	1,786,399	-	1,786,399
Total Expense	20,496,103	-	20,496,103	18,077,072	-	18,077,072
CHANGE IN NET ASSETS	321,896	593,592	915,488	98,952	2,837,722	2,936,674
Net Assets - Beginning of Year	4,921,725	7,197,873	12,119,598	4,822,773	4,360,151	9,182,924
NET ASSETS - END OF YEAR	$ 5,243,621	$ 7,791,465	$ 13,035,086	$ 4,921,725	$ 7,197,873	$ 12,119,598

See accompanying notes to financial statements.

COLLEGE POSSIBLE, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 915,488	$ 2,936,674
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	343,442	284,599
Loss on disposal of equipment	1,049	(31)
Net realized gain on investments	-	(20,075)
Net unrealized gain on investments	(41,346)	(9,353)
Change in assets and liabilities:		
Accounts receivable	(42,444)	8,321
Promises to give	(2,850,295)	130,369
Prepaid expenses	(19,740)	(45,057)
Accounts payable	(110,087)	3,778
Accrued expenses	18,000	5,441
Deferred revenue	(100,431)	(394,321)
Deferred rent	(31,762)	(18,219)
Net Cash Flows From/Used For Operating Activities	(1,918,126)	2,882,126
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment and leasehold improvements	(258,870)	(453,805)
Purchases of investment	(1,500,000)	(2,020,308)
Proceeds from sales of investments	-	991,659
Reinvested income	(72,622)	-
Net Cash Flows Used For Investing Activities	(1,831,492)	(1,482,454)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease obligation	(15,544)	(12,295)
Net Cash Flows Used For Financing Activities	(15,544)	(12,295)
Net Change in Cash and Cash Equivalents	(3,765,162)	1,387,377
CASH AND CASH EQUIVALENTS - Beginning of Year	5,807,252	4,419,875
CASH AND CASH EQUIVALENTS - End of Year	$ 2,042,090	$ 5,807,252
Supplemental disclosures of cash flow information		
Equipment and leasehold improvements included accounts payable	$ 250,307	$ -

COLLEGE POSSIBLE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

	2018				
	Program Services	General and Administrative	Fundraising	Total	2017
PERSONNEL COSTS					
Salaries and stipends	$ 8,695,346	$ 1,308,821	$ 1,326,550	$ 11,330,717	$ 10,121,465
Employee benefits	1,200,123	163,019	205,776	1,568,918	1,359,909
Payroll taxes	668,293	96,603	99,003	863,899	760,343
Total personnel costs	10,563,762	1,568,443	1,631,329	13,763,534	12,241,717
OTHER COSTS					
Consulting	159,209	95,913	388,182	643,304	193,101
Professional fees	210,430	163,441	56,461	430,332	321,141
Postage and supplies	42,801	14,935	15,604	73,340	128,842
Occupancy	2,583,081	42,597	63,895	2,689,573	2,609,984
Technology	700,580	28,795	43,192	772,567	749,264
Transportation and meetings	302,491	19,468	47,483	369,442	363,673
Staff acquisition, training and recognition	439,847	55,830	31,478	527,155	438,834
Student support costs	563,146	-	-	563,146	524,396
Marketing and communication	35,924	14,370	225,571	275,865	186,336
Depreciation expense	309,069	13,184	21,189	343,442	284,653
Insurance and other	39,838	2,151	2,414	44,403	35,131
Total other costs	5,386,416	450,684	895,469	6,732,569	5,835,355
Total expenses	$ 15,950,178	$ 2,019,127	$ 2,526,798	$ 20,496,103	$ 18,077,072

See accompanying notes to financial statements.

COLLEGE POSSIBLE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2017

	2017			
	Program Services	General and Administrative	Fundraising	Total
PERSONNEL COSTS				
Salaries and stipends	$ 7,827,104	$ 1,258,078	$ 1,036,283	$ 10,121,465
Employee benefits	1,028,463	176,169	155,277	1,359,909
Payroll taxes	586,967	94,569	78,807	760,343
Total personnel costs	9,442,534	1,528,816	1,270,367	12,241,717
OTHER COSTS				
Consulting	48,685	67,020	77,396	193,101
Professional fees	180,380	106,410	34,351	321,141
Postage and supplies	63,320	11,883	53,639	128,842
Occupancy	2,526,446	40,503	43,035	2,609,984
Technology	684,367	31,465	33,432	749,264
Transportation and meetings	266,434	7,297	89,942	363,673
Staff acquisition, training and recognition	378,035	44,497	16,302	438,834
Student support costs	524,396	-	-	524,396
Marketing and communication	32,724	-	153,666	186,390
Depreciation expense	259,944	11,954	12,701	284,599
Insurance and other	32,088	1,475	1,568	35,131
Total other costs	4,996,819	322,504	516,032	5,835,355
Total expenses	$ 14,439,353	$ 1,851,320	$ 1,786,399	$ 18,077,072

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

College Possible, Inc. (the “Organization”) is a national nonprofit organization dedicated to making college admission and success possible for students from low-income backgrounds through an intensive curriculum of coaching and support. Its mission is to identify young people with the potential and the motivation for college and then provide them with five critical services: (1) academic support through ACT/SAT test preparation; (2) college application assistance; (3) financial aid consulting; (4) guidance in transition to college; and, (5) coaching throughout college to support the academic confidence, financial literacy and resilience needed to graduate.

The program served more than 22,800 students in the 2017-18 academic year including 7,761 high school students, 7,381 college students, and 5,743 students through CollegePoint, a technology-driven coaching approach, and Catalyze, a program designed to support college students who did not participate in the organization’s high school program. Headquartered in Saint Paul, Minnesota, College Possible also operates in Philadelphia, PA; Chicago, IL; Milwaukee, WI; Omaha, NE; and Portland, OR; and has Catalyze partnerships in Minnesota, Iowa and Ohio.

Financial Statement Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows.

Unrestricted Net Assets - Net assets available for use in general operations.

Temporarily Restricted - Net assets subject to donor imposed restrictions that may or will be met by incurring qualifying expenses or actions of the Organization and/or passage of time.

Permanently Restricted - Net assets whose use is limited by donor-imposed restriction that neither expire by passage of time nor can be fulfilled or otherwise removed by action of the Organization. The Organization had no permanently restricted net assets at June 30, 2018 and 2017.

Contributions restricted by donors are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends of purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reporting in the statements of activities as net assets released from restrictions.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America applicable to nonprofit organizations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue is recognized when earned. Program service fees and payments received under cost-reimbursement contracts received in advance are deferred (and are presented as deferred revenue on the statements of financial position) to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Donated Materials and Facilities

Donated materials and facilities are reflected as support in the statement of activities at their estimated fair value on the date of donation. Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets, or (b) require specialized skills and are performed by people with these skills and would otherwise be purchased by the Organization. Volunteers also provides services throughout the year that are not recognized as contributions in the financial statements, as the criteria above were not met.

Use of Estimates

The preparation of the 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Cash and Cash Equivalents

The Organization considers all short-term instruments purchased with maturity of 3 months or less to be cash equivalents. Cash and cash equivalents consist of demand deposits and U.S. Government money market funds. Excluded from cash and cash equivalents are cash and money market funds maintained for investment purposes.

Receivables and Credit Policies

The Organization uses the allowance method to account for uncollectible contributions, grants and accounts receivable. The allowance is based on prior years' experience and management's analysis of the outstanding receivables. This method provides allowances for doubtful receivables equal to the estimated losses that will be incurred in the collection of receivables. At June 30, 2018 and 2017, the Organization believes all balances are collectible; therefore, no allowance is necessary.

Promises to Give

The Organization records unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment and Leasehold Improvements

Expenditures for the acquisition of equipment and leasehold improvements equal to or greater than $5,000 and with a life greater than one year are recorded at cost. Contributed equipment and leasehold improvements are recorded at fair value at the date of donation. Depreciation of equipment and leasehold improvements is provided using the straight-line method over the estimated useful lives of the assets, ranging from three to five years or the life of the lease. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities within general and administrative expenses. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying value of equipment and leasehold improvements for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2018 and 2017.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment gain (loss) is reported in the statement of activities as a component of investment income and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Functional Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is organized as a Minnesota not-for-profit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and has been classified as an organization that is not a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on any net income that is derived from business activities that are unrelated to its exempt purpose. During fiscal years 2018 and 2017, the Organization did not earn any income subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities, if such interest and penalties were incurred. There was no such liability as of June 30, 2018 and 2017.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and investment accounts with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed federally insured limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of the Organization's mission. Investments are made by diversified investment managers whose performance is monitored by the Organization and the Budget and Oversight Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the Budget and Oversight Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

New Accounting Pronouncements

The following Accounting Standards Updates have been issued, but are not, yet, effective:

- ASU 2014-09, *Revenue from Contracts with Customers* - ASU 2014-09 is effective for fiscal years beginning after December 15, 2018, with early application permitted for fiscal years beginning after December 15, 2016.

- ASU 2016-02, *Leases* - ASU 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted.

- ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* - ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted.

- ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* - ASU 2018-08 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted.

The Organization is assessing the impact these standards will have on its financial statements.

Subsequent Events

The Organization has evaluated subsequent events through December 14, 2018, which is the date that the financial statements were available to be issued.

NOTE 2 - FAIR VALUE MEASUREMENTS AND INVESTMENTS

Fair Value Hierarchy - Certain assets and liabilities are reported at fair value. Fair value is defined in the accounting guidance as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which is based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value, as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities, that the reporting entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or market-corroborated data.

Level 3 - Inputs that are unobservable for the assets or liability. Unobservable inputs reflect the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) using the best information available in the circumstances, which may include using the reporting entity's own data.

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2018 and 2017.

Mutual funds are classified as Level 1, with quoted prices in active markets.

The following table presents assets measured at fair value on a recurring basis are as follows at June 30, 2018:

	Level 1	Level 2	Level 3
Mutual funds			
Domestic equity	$ 732,697	$ -	$ -
International equity	448,348		
Fixed income	2,477,635		
Total investments	$ 3,658,680	$ -	$ -

NOTE 2 - FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

The following table presents assets measured at fair value on a recurring basis are as follows at June 30, 2017:

	Level 1	Level 2	Level 3
Mutual funds			
Domestic equity	$ 371,010	$ -	$ -
International equity	251,306		
Fixed income	1,422,396		
Total investments	$ 2,044,712	$ -	$ -

Investment income included in the statements of activities consists of the following:

	2018	2017
Interest and dividends, net of fees	$ 92,056	$ 39,660
Net realized and unrealized gains	41,346	29,428
Total investment income	$ 133,402	$ 69,088

NOTE 3 - PROMISES TO GIVE, NET

Unconditional promises to give are estimated to be collected as follows at June 30, 2018 and 2017:

	2018	2017
Within one year	$ 4,132,700	$ 2,980,203
In one to five years	2,446,554	704,500
	6,579,254	3,684,703
Less discount to net present value	(61,164)	(16,908)
Promises to give, net	$ 6,518,090	$ 3,667,795

Contributions due in greater than one year were discounted using a rate of 2.5% and 2.4% during fiscal years 2018 and 2017, respectively. At June 30, 2018 and 2017, three donors accounted for 50% and 73% of total promises to give, respectively.

NOTE 4 - CAPITAL LEASE OBLIGATIONS

The Organization leases certain telecommunication systems which are classified as capital leases. The leases expire over the next three fiscal years.

Future minimum payments under these agreements are as follows:

2019	$ 15,756
2020	4,383
2021	752
	20,891
Less amount representing interest	(3,097)
Capital lease obligation	$ 17,794

At June 30, 2018 and 2017, assets recorded under the capital lease agreement totaled $64,903, less $53,963 and $45,183 of accumulated amortization, respectively.

NOTE 5 - OPERATING LEASES

The Organization leased its St. Paul, Minnesota operating facilities under two separate five-year operating leases, one expired in July 2018 and the other expired in September 2018. Subsequent to June 30, 2018, the Organization entered into a new lease for operating facilities in St. Paul, which expires in 2026. The future payments for the new lease are included in the table below.

In addition, the Organization leases space in Chicago, Illinois; Omaha, Nebraska; Portland, Oregon; Philadelphia, Pennsylvania; and Milwaukee, Wisconsin, under various operating leases expiring in fiscal years 2019 through 2022.

Future minimum rental payments required under the leases are as follows:

2019	$ 461,392
2020	792,745
2021	724,689
2022	466,453
2023	463,069
Thereafter	1,473,909
	$ 4,382,257

Total rent expense was $862,729 and $810,064 for the years ended June 30, 2018 and 2017, respectively.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes at June 30, 2018 and 2017:

	2018	2017
Time restrictions	$ 3,460,445	$ 2,919,534
Purpose restrictions	4,331,020	4,278,339
Total Temporarily Restricted Net Assets	$ 7,791,465	$ 7,197,873

Net assets were released from restrictions as follow during the years ended June 30, 2018 and 2017:

	2018	2017
Time restrictions	$ 2,559,804	$ 2,318,332
Purpose restrictions	2,824,144	1,083,247
Total Net assets released from restrictions	$ 5,383,948	$ 3,401,579

NOTE 7 - OTHER CONTRIBUTIONS

The value of services and other in-kind contributions for program related services, recorded as contribution revenue in the statements of activities at their estimated fair value at the date of donation for the years ended June 30, 2018 and 2017 is as follows:

	2018	2017
Rent	$ 1,653,935	$ 1,645,500
Program expenses	49,906	54,053
Other	24,849	-
Total	$ 1,728,690	$ 1,699,553

NOTE 8 - CONTINGENCIES

The continuation of funding from federal and other sources is contingent upon availability of funds and project performance. The funds are awarded annually based either upon receipt and approval of a program application or upon completion of a performance review. In addition, expenditures made under federal grants are subject to review and audit by the grantor agencies. Management believes that any liability for reimbursement, which may arise as a result of these audits, is not material to the Organization's financial statements.

NOTE 9 - RETIREMENT PLAN

A Safe Harbor 401(k) plan was implemented on September 1, 2007. Employees are eligible to participate in the plan on the first of the month following 30 days of service, having attained age 18 and which are expected to work 1,000 hours in 12 consecutive months. The Organization will make matching contributions in two different ways. The Safe Harbor match is equal to the sum of 100% of the amount of the salary reductions that are not in excess of 3% of compensation, plus 50% of the amount of the salary reductions that exceed 3% of compensation but not in excess of 5% of compensation. The Discretionary Match is subject to delayed entry (entry after one year of service) and a step-vesting schedule. The Discretionary Match is 50% of the salary reduction amounts that exceed 5% of compensation but not in excess of 9% of compensation. Employees can opt out of the plan or change their contribution at any time. Employer contributions and expense for the 401(k) plan were $355,761 and $293,638 for the years ended June 30, 2018 and 2017, respectively.