

THE ART OF PROBLEM SOLVING INITIATIVE, INC.



FINANCIAL STATEMENTS

**Year Ended May 31, 2019 and
For the Period from January 1, 2018 to May 31, 2018**

**THE ART OF PROBLEM SOLVING INITIATIVE, INC.
TABLE OF CONTENTS**

	Page
INDEPENDENT AUDITORS' REPORT	1
 FINANCIAL STATEMENTS:	
Statements of Financial Position.....	2
Statements of Activities	3
Statements of Functional Expenses.....	5
Statements of Cash Flows	7
Notes to Financial Statements.....	8



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Art of Problem Solving Initiative, Inc.
New York, New York

We have audited the accompanying financial statements of The Art of Problem Solving Initiative, Inc. (a nonprofit organization), which comprise the statements of financial position as of May 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the year ended May 31, 2019 and for the period from January 1, 2018 to May 31, 2018 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 auditor's 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 Art of Problem Solving Initiative, Inc. as of May 31, 2019 and 2018, and the changes in its net assets and its cash flows for the year ended May 31, 2019 and for the period from January 1, 2018 to May 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Johnson O'Connor Feron & Carucci LLP

Wakefield, Massachusetts
December 17, 2019

**THE ART OF PROBLEM SOLVING INITIATIVE, INC.
STATEMENTS OF FINANCIAL POSITION**

	May 31,	
	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,608,089	\$ 3,282,541
Contributions receivable	477,223	90,000
Prepaid expenses	54,415	59,316
Security deposits	-	2,000
Total current assets	4,139,727	3,433,857
OTHER ASSETS		
Contributions receivable, less current portion	100,000	-
Property and equipment, net	9,232	5,583
Total other assets	109,232	5,583
Total assets	\$ 4,248,959	\$ 3,439,440
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 24,942	\$ 4,958
Accrued expenses	75,453	53,497
Total current liabilities	100,395	58,455
NET ASSETS		
Without donor restrictions	2,119,819	1,754,113
With donor restrictions	2,028,745	1,626,872
Total net assets	4,148,564	3,380,985
Total liabilities and net assets	\$ 4,248,959	\$ 3,439,440

See notes to financial statements.

THE ART OF PROBLEM SOLVING INITIATIVE, INC.
STATEMENT OF ACTIVITIES

	Year Ended May 31, 2019		
	Total	Without Donor Restrictions	With Donor Restrictions
REVENUES			
Contributions and grants	\$ 3,326,914	\$ 753,489	\$ 2,573,425
In-kind contributions	184,075	153,325	30,750
Miscellaneous income	13,651	13,651	-
Special events income	1,100	1,100	-
Interest income	3,741	3,741	-
Net assets released from restriction	-	2,202,302	(2,202,302)
Total revenues	<u>3,529,481</u>	<u>3,127,608</u>	<u>401,873</u>
EXPENSES AND OTHER CHANGES			
<u>Program services -</u>			
Educational and program services	<u>2,218,539</u>	<u>2,218,539</u>	<u>-</u>
<u>Supporting services -</u>			
Management and general	408,727	408,727	-
Fundraising	<u>134,636</u>	<u>134,636</u>	<u>-</u>
Total supporting services	<u>543,363</u>	<u>543,363</u>	<u>-</u>
Total expenses and other changes	<u>2,761,902</u>	<u>2,761,902</u>	<u>-</u>
Change in net assets	767,579	365,706	401,873
NET ASSETS - BEGINNING OF YEAR	<u>3,380,985</u>	<u>1,754,113</u>	<u>1,626,872</u>
NET ASSETS - END OF YEAR	<u><u>\$ 4,148,564</u></u>	<u><u>\$ 2,119,819</u></u>	<u><u>\$ 2,028,745</u></u>

See notes to financial statements.

THE ART OF PROBLEM SOLVING INITIATIVE, INC.
STATEMENT OF ACTIVITIES

	For the Period from January 1, 2018 to May 31, 2018		
	Total	Without Donor Restrictions	With Donor Restrictions
REVENUES			
Contributions and grants	\$ 339,787	\$ 303,342	\$ 36,445
In-kind contributions	113,883	95,417	18,466
Miscellaneous income	3,665	3,665	-
Special events income	-	-	-
Interest income	-	-	-
Net assets released from restriction	-	78,852	(78,852)
Total revenues	<u>457,335</u>	<u>481,276</u>	<u>(23,941)</u>
EXPENSES AND OTHER CHANGES			
<u>Program services -</u>			
Educational and program services	<u>300,410</u>	<u>300,410</u>	<u>-</u>
<u>Supporting services -</u>			
Management and general	190,897	190,897	-
Fundraising	17,592	17,592	-
Total supporting services	<u>208,489</u>	<u>208,489</u>	<u>-</u>
Total expenses and other changes	<u>508,899</u>	<u>508,899</u>	<u>-</u>
Change in net assets	(51,564)	(27,623)	(23,941)
NET ASSETS - BEGINNING OF PERIOD	<u>3,432,549</u>	<u>1,781,736</u>	<u>1,650,813</u>
NET ASSETS - END OF YEAR	<u>\$ 3,380,985</u>	<u>\$ 1,754,113</u>	<u>\$ 1,626,872</u>

See notes to financial statements.

THE ART OF PROBLEM SOLVING INITIATIVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended May 31, 2019

	Educational and Program Services				Supporting Services		
	Total Expenses	Bridge to Enter Advanced Mathematics	USA Mathematical Talent Search	Total Program Services	Management and General	Fundraising	Total Supporting Services
Payroll and payroll taxes	\$ 1,594,887	\$ 1,337,162	\$ 6,250	\$ 1,343,412	\$ 192,089	\$ 59,386	\$ 251,475
Rent	341,501	191,287	2,734	194,021	147,480	-	147,480
Food	249,307	216,190	3,237	219,427	1,928	27,952	29,880
Travel	119,855	117,401	104	117,505	-	2,350	2,350
Insurance	81,076	59,477	-	59,477	19,074	2,525	21,599
Outside contract service	91,711	59,031	23,199	82,230	-	9,481	9,481
Supplies	67,300	54,999	10,550	65,549	-	1,751	1,751
Field trips	45,647	45,647	-	45,647	-	-	-
Employee benefits	32,428	24,651	-	24,651	5,821	1,956	7,777
Professional fees	29,455	-	-	-	29,455	-	29,455
Printing	24,963	16,001	5,246	21,247	-	3,716	3,716
Information technology	18,117	84	15	99	1,570	16,448	18,018
Advertising	14,941	4,441	3,025	7,466	1,575	5,900	7,475
Postage and delivery	13,965	7,189	1,488	8,677	2,304	2,984	5,288
Staff development	10,022	9,946	-	9,946	76	-	76
Licenses, permits, and fees	8,090	2,873	3,767	6,640	1,330	120	1,450
Telephone	5,699	5,240	5	5,245	454	-	454
Other	4,545	3,089	-	3,089	1,408	48	1,456
Depreciation	4,411	4,211	-	4,211	200	-	200
Bank charges	3,982	-	-	-	3,963	19	3,982
Total operating expenses	\$ 2,761,902	\$ 2,158,919	\$ 59,620	\$ 2,218,539	\$ 408,727	\$ 134,636	\$ 543,363

See notes to financial statements.

THE ART OF PROBLEM SOLVING INITIATIVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Period from January 1, 2018 to May 31, 2018

	Educational and Program Services				Supporting Services		
	Total Expenses	Bridge to Enter Advanced Mathematics	USA Mathematical Talent Search	Total Program Services	Management and General	Fundraising	Total Supporting Services
Payroll and payroll taxes	\$ 298,004	\$ 207,209	\$ -	\$ 207,209	\$ 81,885	\$ 8,910	\$ 90,795
Rent	112,836	16,119	1,300	17,419	95,417	-	95,417
Food	17,934	13,931	432	14,363	268	3,303	3,571
Travel	11,487	11,423	-	11,423	-	64	64
Insurance	17,465	7,989	-	7,989	8,837	639	9,476
Outside contract service	19,942	9,101	6,941	16,042	-	3,900	3,900
Supplies	4,380	4,094	-	4,094	286	-	286
Field trips	17	17	-	17	-	-	-
Employee benefits	9,391	6,463	-	6,463	2,411	517	2,928
Professional fees	-	-	-	-	-	-	-
Printing	1,865	1,865	-	1,865	-	-	-
Information technology	588	-	20	20	470	98	568
Advertising	1,701	1,593	-	1,593	-	108	108
Postage and delivery	5,891	5,860	-	5,860	28	3	31
Staff development	487	385	-	385	52	50	102
Licenses, permits, and fees	882	497	-	497	385	-	385
Telephone	3,750	3,166	-	3,166	584	-	584
Other	1,004	1,004	-	1,004	-	-	-
Depreciation	1,001	1,001	-	1,001	-	-	-
Bank charges	274	-	-	-	274	-	274
Total operating expenses	\$ 508,899	\$ 291,717	\$ 8,693	\$ 300,410	\$ 190,897	\$ 17,592	\$ 208,489

See notes to financial statements.

THE ART OF PROBLEM SOLVING INITIATIVE, INC.
STATEMENTS OF CASH FLOWS

	<u>Year Ended</u> <u>May 31, 2019</u>	<u>For the Period</u> <u>from</u> <u>January 1, 2018</u> <u>to May 31, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 767,579	\$ (51,564)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,411	1,001
(Increase) decrease in operating assets:		
Contributions receivable	(487,223)	596,000
Prepaid expenses	4,901	(53,016)
Security deposits	2,000	(375)
Increase (decrease) in operating liabilities:		
Accounts payable	19,984	(6,979)
Accrued expenses	21,956	21,617
Net cash provided by operating activities	333,608	506,684
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(8,060)	(599)
Net cash used by investing activities	(8,060)	(599)
Net increase in cash and cash equivalents	325,548	506,085
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	3,282,541	2,776,456
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,608,089	\$ 3,282,541

See notes to financial statements.

THE ART OF PROBLEM SOLVING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS

1. STATEMENT OF PURPOSE

The Art of Problem Solving Initiative, Inc. (the Organization), formerly known as “The Art of Problem Solving Foundation,” is a nonprofit organization with a mission dedicated to promoting and providing opportunities to explore and experience mathematical problem solving among middle and high school students in the United States. The Organization was formed in 2004. The Organization focuses its efforts on two main programs: Bridge to Enter Advanced Mathematics (“BEAM”, formerly Summer Program in Mathematical Problem Solving), a summer program for underserved New York City and California middle school students with talent in mathematics; and USA Mathematical Talent Search (“USAMTS”), a math contest for US Citizens and Residents that emphasizes research and in-depth thinking.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation –

The financial statements of the Organization have been prepared on the accrual basis of accounting. Accordingly, assets are recorded when the Organization obtains the rights of ownership or is entitled to claim receipt, and liabilities are recorded when the obligation is incurred.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management’s Review –

Subsequent events have been evaluated by management through December 17, 2019, the date the financial statements were available to be issued.

Cash Equivalents –

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Contributions Receivable –

Unconditional contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions receivable 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. The allowance for uncollectable contributions receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectable. Management believes that all contributions receivable are fully collectible; therefore, no allowance for uncollectable contributions has been recorded.

THE ART OF PROBLEM SOLVING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment –

Property and equipment are recorded at cost if purchased or fair value if contributed. The Organization has a policy of capitalizing assets with a cost basis of \$1,000 or more. The Organization provides for depreciation of property and equipment using the straight-line method over the estimated useful lives of the related assets, which is three years.

Net Assets –

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions, Grants, and Revenue Recognition –

Contributions are recognized when cash, securities or other assets, an unconditional contribution receivable, or notification of a beneficial interest is received. Grant revenue on cost-reimbursement grants or contracts is recognized when the Organization requests reimbursement from granting agencies after the program expenditures have been incurred. As such, the Organization recognizes revenue and records a receivable for the reimbursement amount from the granting agency.

Non-Cash Donations –

The Organization's non-cash donations consist primarily of donated books and rental space. Donations of materials or rent are recorded at fair market value based on the price of comparable items at the date of donation. The Organization received non-cash donations totaling \$184,075 and \$113,883 for the year ended May 31, 2019 and for the period from January 1, 2018 to May 31, 2018, respectively.

THE ART OF PROBLEM SOLVING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-Cash Donations (Continued) –

When significant, donations of professional services are recorded at their estimated fair market value based on the current fee schedule of the donor at the date of receipt and are reflected as both a contribution and expense in the statement of activities. There were no donations of professional services for the for the year ended May 31, 2019 and for the period from January 1, 2018 to May 31, 2018, respectively.

Functional Expenses –

The Organization allocates expenses on a functional basis among its programs and supporting services. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis and are composed of the following:

Management and general – includes all activities related to the Organization’s internal management and accounting for program services.

Fundraising – includes activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for the Organization’s programs.

Expenses that can be identified with a specific program or supporting service are allocated directly to those classifications. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. The allocation of these expenses between program services and management and general expenses are based on actual asset usage and estimates of time and effort. Allocations of functional expenses are based on management’s discretion and estimates. These variables may change from year to year. As a result, there may be fluctuations in the comparative presentation of data from year to year.

Income Taxes –

The Organization is organized and operated exclusively for charitable and educational purposes. Income related to these purposes is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Unrelated business income would be taxable according to applicable Internal Revenue Code sections.

The Organization regularly reviews and evaluates its tax positions taken in its filed returns and recognizes the benefit from a tax position only if it is more likely than not that the position would be sustained upon audit based solely on the technical merits of the tax position. The Organization accrues interest and penalties on uncertain tax positions as a component of the provision for income taxes.

The Organization files federal, California and New York tax returns. The statute of limitations for these jurisdictions is generally three years. The Organization had no returns under examination as of May 31, 2019.

THE ART OF PROBLEM SOLVING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Expense –

The Organization's policy is to expense advertising costs as incurred. Advertising expenses totaled \$14,941 and \$1,701 for the year ended May 31, 2019 and for the period from January 1, 2018 to May 31, 2018, respectively.

Change in Fiscal Year –

During 2018 the Organization changed its fiscal year from one ending on December 31 to one ending on May 31. Accordingly, the prior period includes activity from January 1, 2018 to May 31, 2018.

Recently Adopted Accounting Pronouncement –

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 during the year ended May 31, 2019 and adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which resulted in no change in net assets.

Reclassifications –

Certain amounts in the prior year's financial statements have been reclassified for comparative purposes to conform to the presentation in the current year's financial statements. These reclassifications have no effect on previously reported change in net assets.

3. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash in several bank and money market accounts. The bank balances at times may exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash and cash equivalents.

THE ART OF PROBLEM SOLVING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS

4. LIQUIDITY AND AVAILABILITY

The following table reflects the Organization’s financial assets as of May 31, 2019, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or because the donor has set aside the funds for a specific time period or purpose.

Financial assets:		
Cash and cash equivalents	\$	3,608,089
Contributions receivable		577,223
Financial assets, at year end		<u>4,185,312</u>
Less those unavailable for general expenditure within one year, due to:		
Net assets restricted for time or purpose		<u>100,000</u>
		<u>100,000</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>4,085,312</u></u>

The Organization receives significant contributions without donor restrictions and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 180 days operating expenses. To achieve these targets, the entity forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually. During the year ended May 31, 2019 and the period from January 1, 2018 to May 31, 2018, the level of liquidity and reserves was managed within the policy requirements.

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable are due to be collected as follows:

	<u>May 31,</u>	
	<u>2019</u>	<u>2018</u>
Amounts due in:		
Less than one year	\$ 477,223	\$ 90,000
One to five years	100,000	-
	<u>\$ 577,223</u>	<u>\$ 90,000</u>

THE ART OF PROBLEM SOLVING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS

5. CONTRIBUTIONS RECEIVABLE (Continued)

Management determined that a discount on contributions receivable expected to be collected in future years was not material to the financial statements. As a result no discount was recorded as of May 31, 2019 and May 31, 2018.

6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net is summarized as follows:

	May 31,	
	2019	2018
Furniture and fixtures	\$ 15,443	\$ 7,383
Less: Accumulated depreciation	6,211	1,800
	\$ 9,232	\$ 5,583

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes:

	May 31,	
	2019	2018
Subject to expenditure for specified purpose:		
Bridge to Enter Advanced Mathematics	\$ 1,451,522	\$ 1,536,254
USA Mathematical Talent Search	-	618
Contributions receivable, the proceeds from which have been restricted by donors for:		
Bridge to Enter Advanced Mathematics	577,223	90,000
	\$ 2,028,745	\$ 1,626,872

There were no net assets restricted in perpetuity as of May 31, 2019 and May 31, 2018.

**THE ART OF PROBLEM SOLVING INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS**

7. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Certain net assets with donor restrictions were released from donor restrictions by incurring costs satisfying the restricted purposes or by the occurrence of other events or the passage of time specified by the donors and were reclassified as net assets without donor restrictions as follows:

	For the Year Ended May 31, 2019	For the Period from January 1, 2018 to May 31, 2018
Bridge to Enter Advanced Mathematics	\$ 2,144,460	\$ 70,157
USA Mathematical Talent Search	57,842	8,695
	\$ 2,202,302	\$ 78,852

8. MAJOR CONTRIBUTORS

During the year ended May 31, 2019, the Organization received contributions and grants totaling \$500,000 from one funder. This amount represents approximately 14% of total contributions and grants received during the year. As of May 31, 2019, \$250,000 of this grant had not been received and is recorded as a current contribution receivable.

During the period from January 1, 2018 to May 31, 2018, the Organization received contributions and grants totaling \$250,000 from one funder. This amount represents approximately 55% of total contributions and grants received during the year. As of May 31, 2018, the entire balance of \$250,000 was collected.

9. LEASES

The Organization rents facilities and office space, under short-term leases, for conducting program activities and for general administration purposes. In addition, certain programs are conducted in facilities where space is donated to the Organization. Rent expense totaled \$341,501 and \$112,836 for the year ended May 31, 2019 and for the period from January 1, 2018 to May 31, 2018, respectively.

101 Edgewater Drive
Suite 210
Wakefield, MA 01880

T (781) 914-3400

www.johnsonconnor.com