Financial Statements and Report of Independent Certified Public Accountants

Year Up, Inc.

December 31, 2011 and 2010

Contents

Grant Thornton

Grant Thornton LLP
226 Causeway Street, 6th Floor
Boston, MA 02114-2155

T 617.723.7900
F 617.723.3640
www.GrantThornton.com

Report of Independent Certified Public Accountants

Board of Directors
Year Up, Inc.

We have audited the accompanying statements of financial position of Year Up, Inc. (the "Organization") as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 2011 and 2010 financial statements referred to above present fairly, in all material respects, the financial position of Year Up, Inc. as of December 31, 2011 and 2010, and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Boston, Massachusetts
May 2, 2012

YEAR UP, INC.

Statements of Financial Position

December 31, 2011 and 2010

		2011		2010
ASSETS				
Cash and cash equivalents	$	**9,055,691**	$	6,970,781
Contributions receivable, net of allowance for doubtful pledges of $69,622 at December 31, 2011 and December 31, 2010		**19,421,757**		15,786,495
Internship receivable, net of allowance for doubtful accounts of $169,742 at December 31, 2011 and $176,676 at December 31, 2010		**3,574,177**		1,660,838
Public grants receivable		**1,003,138**		125,537
Prepaid expenses and other assets		**440,830**		401,384
Other receivables		**50,645**		159,335
Investments		**7,629,923**		8,878,642
Fixed assets, net		**8,245,815**		6,372,710
Total assets	$	**49,421,976**	$	40,355,722
LIABILITIES AND NET ASSETS				
Accounts payable and accrued expenses	$	**1,903,911**	$	2,148,172
Accrued compensation and withholdings		**1,436,675**		1,148,160
Capital lease obligation		**4,956,693**		5,009,109
Total liabilities		**8,297,279**		8,305,441
Net assets				
Unrestricted		**13,833,914**		11,949,587
Temporarily restricted		**27,290,783**		20,100,694
Total net assets		**41,124,697**		32,050,281
Total liabilities and net assets	$	**49,421,976**	$	40,355,722

The accompanying notes are an integral part of these statements.

YEAR UP, INC.

Statement of Activities and Changes in Net Assets

Year ended December 31, 2011

(with summarized comparative information for the year ended December 31, 2010)

	2011			2010
	Unrestricted	**Temporarily Restricted**	**Total**	
Revenue				
Contributions	**$ 9,087,881**	**$ 16,685,579**	**$ 25,773,460**	$ 22,062,823
Program service fees	**18,261,758**	**-**	**18,261,758**	12,336,375
Grants and contracts	**2,539,976**	**-**	**2,539,976**	1,134,505
Contributed fixed assets, services and space	**983,211**	**2,262,075**	**3,245,286**	3,246,568
Investment and other miscellaneous income	**165,569**	**-**	**165,569**	83,344
Net assets released from restrictions	**11,757,565**	**(11,757,565)**	**-**	-
Total revenue and releases	**42,795,960**	**7,190,089**	**49,986,049**	38,863,615
Operating expenses				
Student stipends	**8,484,929**	**-**	**8,484,929**	5,817,501
Salary and wages	**20,605,344**	**-**	**20,605,344**	15,285,032
Training and other	**5,922,723**	**-**	**5,922,723**	5,390,364
Professional fees	**1,745,422**	**-**	**1,745,422**	2,432,613
Rent expense	**2,431,531**	**-**	**2,431,531**	1,834,321
Depreciation and amortization	**1,424,101**	**-**	**1,424,101**	892,375
Interest expense on capital lease	**297,583**	**-**	**297,583**	300,629
Total operating expenses	**40,911,633**	**-**	**40,911,633**	31,952,835
Change in net assets	**1,884,327**	**7,190,089**	**9,074,416**	6,910,780
Net assets, beginning of year	**11,949,587**	**20,100,694**	**32,050,281**	25,139,501
Net assets, end of year	**$ 13,833,914**	**$ 27,290,783**	**$ 41,124,697**	$ 32,050,281

The accompanying notes are an integral part of this statement.

YEAR UP, INC.

Statement of Activities and Changes in Net Assets

Year ended December 31, 2010

	Unrestricted	Temporarily Restricted	Total
Revenue			
Contributions	$ 6,313,866	$ 15,748,957	$ 22,062,823
Program service fees	12,336,375	-	12,336,375
Grants and contracts	1,134,505	-	1,134,505
Contributed fixed assets, services and space	1,527,902	1,718,666	3,246,568
Investment and other miscellaneous income	83,344	-	83,344
Net assets released from restrictions	12,231,750	(12,231,750)	-
Total revenue and releases	33,627,742	5,235,873	38,863,615
Operating expenses			
Student stipends	5,817,501	-	5,817,501
Salary and wages	15,285,032	-	15,285,032
Training and other	5,390,364	-	5,390,364
Professional fees	2,432,613	-	2,432,613
Rent expense	1,834,321	-	1,834,321
Depreciation and amortization	892,375	-	892,375
Interest expense on capital lease	300,629	-	300,629
Total operating expenses	31,952,835	-	31,952,835
Change in net assets	1,674,907	5,235,873	6,910,780
Net assets, beginning of year	10,274,680	14,864,821	25,139,501
Net assets, end of year	$ 11,949,587	$ 20,100,694	$ 32,050,281

The accompanying notes are an integral part of this statement.

YEAR UP, INC.

Statements of Cash Flows

Years ended December 31, 2011 and 2010

		2011		2010
Cash flows from operating activities:				
Change in net assets	**$**	**9,074,416**	$	6,910,780
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation and amortization		**1,424,101**		892,375
Realized/unrealized loss on investments		**3,107**		129,565
Provision for bad debt		**-**		252,455
Contributed fixed assets		**(2,262,075)**		(5,000)
Increase (decrease) in cash and cash equivalents due to a change in:				
Contributions receivable		**(3,635,262)**		(3,632,031)
Other receivable		**(2,682,250)**		(2,326,083)
Prepaid expenses and other assets		**(39,446)**		89,747
Accounts payable and accrued expenses		**44,254**		1,873,956
Net cash provided by operating activities		**1,926,845**		4,185,764
Cash flows from investing activities:				
Purchase of property and equipment		**(1,035,131)**		(1,371,880)
Sales of investments		**4,489,362**		5,516,260
Purchases of investments		**(3,243,750)**		(6,629,470)
Net cash provided by (used in) investing activities		**210,481**		(2,485,090)
Cash flows from financing activities:				
Principal payments - capital lease obligation		**(52,416)**		(49,371)
Net cash used in financing activities		**(52,416)**		(49,371)
Increase in cash and cash equivalents		**2,084,910**		1,651,303
Cash and cash equivalents at beginning of year		**6,970,781**		5,319,478
Cash and cash equivalents at end of year	**$**	**9,055,691**	$	6,970,781
<u>Supplemental Disclosure of Cash Flow Information:</u>				
Cash paid during the year for interest	**$**	**297,583**	$	300,629
Donated fixed assets	**$**	**2,262,075**	$	5,000

The accompanying notes are an integral part of these statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Year Up's mission is to close the opportunity divide by providing urban young adults with the skills, experience and support that will empower them to reach their potential through professional careers and higher education. We achieve this mission through a high support, high expectations model that combines marketable job skills, stipends, internships, college credit, a behavior management system and several levels of support to place these young adults on a viable path to economic self-sufficiency.

The Organization was incorporated on October 11, 2000, and has fully operational program sites in Boston, Massachusetts; Providence, Rhode Island; Arlington, Virginia; New York, New York; San Francisco, California; Atlanta, Georgia; Chicago, Illinois; Baltimore, Maryland and Seattle, Washington.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis and in accordance with the reporting principles of not-for-profit accounting.

The Organization classifies resources into net asset classes in accordance with donor-imposed restrictions. A description of these categories follows:

- **Unrestricted** - Net assets are resources over which the Organization has unrestricted discretionary control.

- **Temporarily Restricted** - Net assets whose use by the Organization is limited by donor-imposed stipulations or by law that either expire by passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations.

- **Permanently Restricted Net Assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donor of these assets permits the Organization to use all or part of the income earned and capital gain if any, on related investments for general or specific purposes.

  The Organization had no permanently restricted net assets at December 31, 2011 and 2010.

Cash and Cash Equivalents

Cash and cash equivalents include cash held in money market and checking accounts which are insured up to the federal limit by the Federal Deposit Insurance Corporation. Cash and cash equivalents have maturities at date of purchase of three months or less. At times, the cash balance maintained at a single institution may exceed federally insured limits. The Organization has not experienced any losses in these accounts.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments

Investments consist of certificates of deposits and corporate bonds which have maturities in excess of three months. Investments are carried at fair value. Changes in fair values are reflected in the Statement of Activities and Changes in Net Assets as investment income.

Contributions

A contribution is an unconditional transfer of cash or other assets. Other assets include securities, land, buildings, use of facilities or utilities, materials and supplies, services, and unconditional promises to give those items in the future.

Contributions received, including unconditional promises to give, are recognized as revenues or gains when the donor's commitment is received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Contributions received are measured at their fair values at the date of receipt and are reported as restricted or unrestricted based upon the existence or absence of donor-imposed restrictions.

Unconditional promises to give are included in the financial statements as contributions receivable and revenue for the appropriate net asset category and are recorded after discounting to the present value of the expected future cash flows. The Organization does not record conditional pledges until conditions have been met.

Contributed Fixed Assets, Services and Space

The Organization recognizes contribution revenue for certain services, space and fixed assets that would be purchased if not donated, at the fair value of those items. Fixed assets are recorded as temporarily restricted revenue when received and are released to unrestricted net assets over the useful life of the asset, corresponding with the related depreciation expense recognized. During the year ended December 31, 2011 the Organization received a restricted gift of fixed assets valued at $2,262,075. $ 377,013 was released to cover depreciation in the current year.

During the year ended December 31, 2010, the Organization received a restricted gift of discounted rent valued at $1,847,164. During 2011 and 2010 the Organization released $375,456 and $160,623, respectively to cover rent expense which is reflected in the net assets released from restrictions in the Statement of Activities and Changes in Net Assets. This is calculated as the difference between the estimated market rate of rental payments and the actual lease payments, from the date of occupancy through to the end of the lease term, July 2015.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In Kind contributions include the following items:

	December 31, 2011	December 31, 2010
Fixed assets	**$ 2,262,075**	$ 5,000
Legal services	**111,682**	169,380
Consulting services	**-**	660,000
Rental space	**149,393**	1,976,188
Other in-kind gifts	**722,136**	436,000
	$ 3,245,286	$ 3,246,568

Program Service Fees

As part of its program, Year Up places students in internships at various corporations during the second six months of the program. The internship phase provides students with the opportunity to practice and develop the skills learned during the first six months of the program. In addition to providing a hands-on learning opportunity to a Year Up intern, the corporations make a payment to Year Up for its participation in the internship program, recognizing the value of underwriting the training and education of this future talent pipeline. The revenue generated from the internship program pays for the stipends, college credits, and support given to all program participants as well as offsets the operating costs of the program.

Grants and Contracts

Federal, State, and City government grant and contract revenue is recognized when the corresponding program expenditures are made, or when milestones are reached, in accordance with the terms of the related contracts.

Fixed Assets

Equipment purchased by the Organization is recorded at cost. Donated equipment is recorded at fair value at the date of the gift. Depreciation and amortization are computed using the straight-line method over the assets' estimated useful life. The half-year convention is used for calculating depreciation in the year of acquisition. Estimated useful lives are as follows: 30 years for the building, the shorter of 7 years or the life of the lease for building and leasehold improvements, 5 years for furniture and fixtures, and 3 years for computer equipment.

Advertising Expense

Advertising costs are expensed at the time they are incurred. Advertising expense for the years ended December 31, 2011 and 2010 was $52,918 and $82,900, respectively.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

On April 25, 2001, the Internal Revenue Service granted the Organization an exemption from federal taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). However, certain activities of exempt organizations, to the extent profitable, may be subject to Federal and State taxation as unrelated business income.

With respect to unrelated business activities, the Organization recognizes income taxes under the asset and liability method. Under this method, deferred tax assets and liabilities are established for temporary differences between the accounting bases and the tax bases of the Organization's assets and liabilities at enacted tax rates expected to be in effect when the amounts related to such temporary differences are realized or settled. Deferred tax expense or benefit is the result of changes in deferred tax assets and liabilities. A valuation allowance is recorded against deferred tax assets for the portion of the asset that management believes is more likely than not to not be realized.

The Organization recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

There have been no material changes in unrecognized benefits since adoption. It is the Organization's policy to record estimated interest and penalties (if any) as part of general and institutional expense. Management believes that the Organization's income tax returns for years ended December 31, 2008 and prior are no longer subject to examination by tax authorities in its major tax jurisdictions.

Functional Allocation of Expenses

The costs of the program and other activities have been summarized on a functional basis in Note E. Methods used in allocating these costs include actual expenses incurred and proportional percentage of allocation.

Use of Estimates

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

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to current year presentations.

NOTE B - INVESTMENTS

Investments consist of the following major categories at December 31:

	2011	2010
Equity funds	$ **803,439**	$ -
Fixed income securities	**5,819,540**	6,366,630
Certificates of deposit	**1,006,944**	2,512,012
	$ **7,629,923**	$ 8,878,642

NOTE C - CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31 are expected to be realized in the following periods.

	2011	2010
In less than one year	**$ 9,026,386**	$ 9,251,076
Between one year and five years	**11,029,125**	6,982,751
Total contributions receivable	**20,055,511**	16,233,827
Less: present value discount	**564,132**	377,710
allowance for doubtful accounts	**69,622**	69,622
Contributions receivable, net	**$ 19,421,757**	$ 15,786,495

The present value discount was calculated using a discount factor which range from 0.47% to 4.01%.

Conditional Pledges

The Organization has a policy to not record conditional pledges until conditions have been met. The Organization has $8,187,862 and $8,375,511 of conditional pledges as of December 31, 2011 and 2010 respectively, which will be recorded in the financial statements once the conditions have been met.

NOTE D - FIXED ASSETS

Fixed assets consist of the following at December 31:

	2011	2010
Building and leasehold improvements	$ 1,407,192	1,097,252
Building (Capital Lease, see Note G)	5,092,939	5,092,939
Furniture and fixtures	519,125	458,512
Computer equipment	6,152,655	3,226,002
	13,171,911	9,874,705
Less: accumulated deprecation and amortization	4,926,096	3,501,995
Fixed assets, net	$ 8,245,815	$ 6,372,710

For the years ended December 31, 2011 and 2010, the Organization expensed $1,424,101 and $892,375 respectively, of depreciation and amortization.

NOTE E - FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses, as presented in the statements of activities, when shown by functional classification for the period ended December 31 are as follows:

	2011	2010
Training programs	$ 34,783,697	$ 26,458,394
Management and general	2,458,666	2,858,395
Fund-raising	3,669,270	2,636,046
Total expenses	$ 40,911,633	$ 31,952,835

NOTE F - OPERATING LEASE

The following is a schedule of combined future rental payments under operating leases:

Year Ending December 31,	
2012	$ 1,857,881
2013	1,862,421
2014	1,441,417
2015	870,049
2016	551,010
	$ 6,582,777

Rent expense for the years ended December 31, 2011 and 2010 was $2,431,531 and $1,834,321, respectively. Rent expense is recorded on a straight line basis for the Organization's operating leases. As a result of certain rent holidays and escalation clauses included in the leases noted above, deferred rent liabilities totaling $441,937 and $292,178 for 2011 and 2010, respectively, are included in accrued expenses in the statements of financial position.

NOTE G - CAPITAL LEASE

The Organization leases a Boston location used in its operations under a capital lease agreement that expires in 2016. The future minimum annual lease payments under this lease are as follows:

Year Ending December 31,	Amount
2012	$ 424,000
2013	424,000
2014	424,000
2015	424,000
2016	4,568,000
Total minimum lease payments	6,264,000
Less: interest	1,307,307
Capital lease obligation	$ 4,956,693

NOTE H - LINE OF CREDIT

On August 30, 2006, the Organization entered into a revolving line of credit agreement with Citizens Bank. The principal amount of the line of credit is $450,000 and has a variable interest rate; the initial rate is 8.75% and the maximum rate is 18%. The line of credit is collateralized by the business assets of the Organization. The note is payable on demand. Until demand is made, the Organization is required to make monthly payments equal to the sum of accrued interest at the close of the billing cycle plus principal in the minimum amount of $200 or 2% of the outstanding principal balance at the close of the billing cycle, whichever is greater, plus any amount which is past due. The agreement stipulates that the Organization not incur any additional debt, other than in the ordinary course of business during the term of the line of credit. The line was renewed under the same terms on August 30, 2010. At December 31, 2011 and 2010, there were no amounts outstanding on the line of credit.

NOTE I - RETIREMENT PLAN

The Organization has a defined contribution pension plan covering eligible employees. Participants can make an elective deferral for any plan year up to a maximum of 85% for 2011 and 100% for 2010, of their eligible compensation, not to exceed the annual dollar limit as permitted by law. The Organization may elect to make a matching contribution. During 2011 and 2010, the Organization made matching contributions of 100% of the first 5% of a participant's compensation contributed to the plan. For the years ended December 31, 2011 and 2010, the Organization contributed $428,331 and $257,796, respectively.

NOTE J - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization has categorized its financial assets, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as set forth below. If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets recorded in the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

- Level 1 - Financial assets whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market which the Organization has the ability to access at the measurement date (examples include active exchange-traded equity securities and most U.S. Government and agency securities).

- Level 2 - Financial assets whose values are based on quoted market prices in markets where trading occurs infrequently or whose values are based on quoted prices of instruments with similar attributes in active markets.

- Level 3 - Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset. The Organization does not currently have any Level 3 financial assets.

NOTE J - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The assets' fair value measurement level within fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for assets at fair value on a recurring basis.

Certificates of Deposit: Value based on quoted prices of similar instruments in active markets.

Fixed Income Securities: Valued at the current available closing price reported or based on values obtained on comparable securities of issuers with similar credit ratings.

December 31, 2011

	Level 1	Level 2	Level 3	Total
Equity funds	**$ 803,439**	**$ -**	**$ -**	**$ 803,439**
Fixed income securities	**-**	**5,819,540**	**-**	**5,819,540**
Certificates of deposit	**-**	**1,006,944**	**-**	**1,006,944**
Total assets	**$ 803,439**	**$ 6,826,484**	**$ -**	**$ 7,629,923**

December 31, 2010

	Level 1	Level 2	Level 3	Total
Fixed income securities	$ -	$ 6,366,630	$ -	$ 6,366,630
Certificates of deposit	-	2,512,012	-	2,512,012
Total assets	$ -	$ 8,878,642	$ -	$ 8,878,642

The Organization recognizes transfers between fair value hierarchy levels at the approximate date of change in circumstances that causes the transfer. There were no significant transfers between fair value hierarchy levels during the years ended December 31, 2011 and 2010.

NOTE J - FAIR VALUE INSTRUMENTS - Continued

The following are the assets and liabilities of the organization measured at fair value on a non-recurring basis for the years ended December 31, 2011 and December 31, 2010.

December 31, 2011

		Level 1		Level 2		Level 3		Total
Assets								
Contributions receivable	$		$		$	19,421,757	$	19,421,757
	$	-	$	-	$	19,421,757	$	19,421,757
Liabilities								
Capital Lease obligation	$		$		$	4,956,693	$	4,956,693
	$	-	$	-	$	4,956,693	$	4,956,693

December 31, 2010

		Level 1		Level 2		Level 3		Total
Assets								
Contributions receivable	$	-	$	-	$	15,786,495	$	15,786,495
	$	-	$	-	$	15,786,495	$	15,786,495
Liabilities								
Capital Lease obligation	$	-	$	-	$	5,009,109	$	5,009,109
	$	-	$	-	$	5,009,109	$	5,009,109

NOTE K - RELATED PARTY TRANSACTIONS

At December 31, 2011 and 2010, the balance outstanding on a contribution receivable from an officer of the Organization was $250,000 and $100,000, respectively.

Members of the board are also members of other not-for-profit boards. The organization received contributions for the years ended December 31, 2011 and 2010 totaling $1,577,000 and $980,000, respectively, from these other not-for-profit organizations.

A member of the board of directors is a partner at a law firm which provided pro bono services to the Organization in the amount of $36,898 and $169,380 for the years ended December 31, 2011 and 2010, respectively.

NOTE L - NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31, 2011:

	2011	2010
Time restricted	**$ 8,421,228**	$ 3,212,205
Purpose restricted	**18,869,555**	16,888,489
	$ 27,290,783	$ 20,100,694

SEGUE Campaign

Included in temporarily restricted net assets are $1,642,867 and $3,206,193 at December 31, 2011 and 2010, respectively, raised as Series A SEGUE investments. These funds were raised from philanthropic investors providing equity-like capital necessary to meet the Phase II Growth plan for the years 2007 through 2011. The use of Series A SEGUE proceeds is, until May 15, 2012, restricted toward achieving a positive change in unrestricted net assets for the fiscal year of a magnitude up to (but not more than) 10% of the fiscal year's operating expenses.

Based on the stipulations of the subscription agreement detailed above, management has released from restricted Series A SEGUE amounts to result in a positive change in unrestricted net assets of approximately 5% of the fiscal year's 2011 and 2010 operating expenses, respectively.

During 2011 and 2010, the amounts released from the Series A SEGUE fund were $3,265,000 and $3,177,985, respectively, which is included in the net assets released from restriction.

Opportunity Campaign

Included in temporarily restricted net assets are $14,065,400 and $7,000,000 at December 31, 2011 and 2010, respectively, raised as Opportunity Campaign investments. These funds were raised from philanthropic investors providing equity-like capital necessary to meet the Phase III Growth plan for the years 2012 through 2016. The use of Opportunity Campaign Funds is, until January 1, 2017, restricted toward achieving a positive change in unrestricted net assets for the fiscal year of a magnitude up to (but not more than) 10% of the fiscal year's operating expenses. As of December 31, 2011 and 2010, no funds have been released from the Opportunity Campaign fund.

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 2, 2012, which is the date the financial statements were available for issuance. There were no subsequent events that require adjustments to or disclosure in the financial statements.