EdVestors, Inc.

Financial Statements
Years ended June 30, 2018 and 2017

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

EdVestors, Inc.

Financial Statements
Years ended June 30, 2018 and 2017

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Tel: 617-422-0700
Fax: 617-422-0909
www.bdo.com

One International Place
Boston, MA 02110-1745

Independent Auditor's Report

Board of Directors
EdVestors, Inc.
Boston, Massachusetts

We have audited the accompanying financial statements of EdVestors, Inc., which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years 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.

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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EdVestors, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, L.L.P.

October 2, 2018

Financial Statements

EdVestors, Inc.

Statements of Financial Position

June 30,	2018	2017
Assets		
Current Assets:		
Cash and cash equivalents	$ 948,701	$ 1,076,263
Temporarily restricted cash	683,000	1,015,620
Funds held for others	90,377	215,243
Pledges receivable, net	1,175,000	1,376,000
Prepaid expenses and other current assets	33,226	29,964
Total Current Assets	2,930,304	3,713,090
Property and Equipment:		
Leasehold improvements	69,382	65,167
Furniture and fixtures	61,965	61,965
Telephone equipment	10,189	10,189
Computer and software	6,728	6,728
	148,264	144,049
Less accumulated depreciation and amortization	44,328	26,583
Net Property and Equipment	103,936	117,466
Other Assets:		
Long-term pledges receivable, net	742,400	39,505
Deposits	10,354	10,354
Total Other Assets	752,754	49,859
Total Assets	$ 3,786,994	$ 3,880,415
Liabilities and Net Assets		
Current Liabilities:		
Grants payable	$ 184,990	$ 338,035
Accounts payable	33,544	32,739
Funds held for others	90,377	215,243
Accrued expenses	116,852	71,747
Total Current Liabilities	425,763	657,764
Net Assets:		
Unrestricted	769,144	769,144
Property and equipment fund	103,936	117,466
Board designated - reserve fund	157,939	200,000
Total unrestricted net assets	1,031,019	1,086,610
Temporarily restricted	2,330,212	2,136,041
Total Net Assets	3,361,231	3,222,651
Total Liabilities and Net Assets	$ 3,786,994	$ 3,880,415

See accompanying notes to the financial statements.

EdVestors, Inc.

Statements of Activities

Years ended June, 30	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Grants	$ 177,785	$ 2,200,399	$ 2,378,184	$ 825,330	$ 2,519,765	$ 3,345,095
Contributions	435,691	631,917	1,067,608	277,122	124,606	401,728
Public funding	-	-	-	-	9,600	9,600
In-kind contributions	12,500	1,800	14,300	6,667	-	6,667
	625,976	2,834,116	3,460,092	1,109,119	2,653,971	3,763,090
Net assets released from restrictions	2,640,020	(2,640,020)	-	2,296,060	(2,296,060)	-
Total Revenues	3,265,996	194,096	3,460,092	3,405,179	357,911	3,763,090
Expenses:						
Salaries and wages	1,299,945	-	1,299,945	1,085,561	-	1,085,561
Grants	808,500	-	808,500	1,030,100	-	1,030,100
Professional fees	339,792	-	339,792	233,055	-	233,055
Program services	280,813	-	280,813	377,871	-	377,871
Fringe benefits	179,202	-	179,202	161,593	-	161,593
Facilities	128,450	-	128,450	110,547	-	110,547
Meetings and events	97,956	-	97,956	68,610	-	68,610
Payroll taxes	95,865	-	95,865	78,100	-	78,100
Depreciation and amortization	17,745	-	17,745	17,544	-	17,544
Travel	15,630	-	15,630	8,507	-	8,507
Administrative	11,808	-	11,808	8,606	-	8,606
Computer and office	10,425	-	10,425	20,235	-	20,235
Printing and reproduction	10,423	-	10,423	13,397	-	13,397
Office supplies	9,943	-	9,943	8,052	-	8,052
Communication	9,834	-	9,834	10,713	-	10,713
Memberships and subscriptions	6,940	-	6,940	6,386	-	6,386
Total Expenses	3,323,271	-	3,323,271	3,238,877	-	3,238,877
Excess (Deficit) of Revenues Over Expenses	(57,275)	194,096	136,821	166,302	357,911	524,213
Other Income:						
Interest income	1,684	75	1,759	1,038	308	1,346
Change in Net Assets	(55,591)	194,171	138,580	167,340	358,219	525,559
Net Assets, beginning of year	1,086,610	2,136,041	3,222,651	919,270	1,777,822	2,697,092
Net Assets, end of year	$ 1,031,019	$ 2,330,212	$ 3,361,231	$ 1,086,610	$ 2,136,041	$ 3,222,651

See accompanying notes to the financial statements.

EdVestors, Inc.

Statement of Functional Expenses

	Programs						
Year ended June 30, 2018	Arts Expansion Initiative	Strategic Initiatives	Seed Fund, SOM, & Other Educational Programs	Total Program	General and Administrative	Fundraising	Totals 2018
Salaries and wages	$ 176,550	$ 330,168	$ 191,980	$ 698,698	$ 213,704	$ 387,543	$ 1,299,945
Grants	446,000	97,500	265,000	808,500	-	-	808,500
Professional fees	100,144	120,620	77,684	298,448	15,364	25,980	339,792
Program services	189,335	91,478	-	280,813	-	-	280,813
Fringe benefits	40,809	42,879	20,911	104,599	32,010	42,593	179,202
Facilities	40,703	22,187	31,055	93,945	13,449	21,056	128,450
Meetings and events	7,562	2,675	74,080	84,317	4,935	8,704	97,956
Payroll taxes	12,040	23,459	12,879	48,378	21,809	25,678	95,865
Depreciation and amortization	5,623	3,358	3,997	12,978	1,858	2,909	17,745
Travel	556	382	13,857	14,795	243	592	15,630
Administrative	224	89	248	561	11,242	5	11,808
Computer and office	3,010	2,903	1,962	7,875	993	1,557	10,425
Printing and reproduction	1,423	654	4,639	6,716	554	3,153	10,423
Office supplies	2,844	2,894	1,777	7,515	940	1,488	9,943
Communication	3,331	1,443	2,264	7,038	867	1,929	9,834
Memberships and subscriptions	2,849	195	2,503	5,547	384	1,009	6,940
	$1,033,003	$ 742,884	$ 704,836	$2,480,723	$ 318,352	$ 524,196	$ 3,323,271
Percentage of total	31.08%	22.35%	21.21%	74.65%	9.58%	15.77%	100.00%

See accompanying notes to the financial statements.

EdVestors, Inc.

Statement of Functional Expenses

	Programs						
Year ended June 30, 2017	Arts Expansion Initiative	Strategic Initiatives	Seed Fund, SOM, & Other Educational Programs	Total Program	General and Administrative	Fundraising	Totals 2017
Salaries and wages	$ 178,145	$ 217,620	$ 168,107	$ 563,872	$ 194,561	$ 327,128	$ 1,085,561
Grants	616,000	117,100	297,000	1,030,100	-	-	1,030,100
Professional fees	98,091	27,205	44,594	169,890	16,859	46,306	233,055
Program services	266,712	110,648	511	377,871	-	-	377,871
Fringe benefits	40,568	28,791	32,207	101,566	26,646	33,381	161,593
Facilities	43,783	14,945	26,245	84,973	10,482	15,092	110,547
Meetings and events	2,587	3,501	50,392	56,480	5,534	6,596	68,610
Payroll taxes	12,205	15,202	10,505	37,912	19,440	20,748	78,100
Depreciation	6,948	2,681	3,856	13,485	1,664	2,395	17,544
Travel	185	246	7,374	7,805	375	327	8,507
Administrative	75	-	-	75	8,220	311	8,606
Computer and office	8,017	3,482	4,061	15,560	1,912	2,763	20,235
Printing and reproduction	1,175	-	5,927	7,102	3,943	2,352	13,397
Office supplies	2,854	1,704	1,422	5,980	683	1,389	8,052
Communication	3,695	1,216	2,543	7,454	796	2,463	10,713
Memberships and subscriptions	448	309	4,578	5,335	352	699	6,386
	$1,281,488	$ 544,650	$ 659,322	$ 2,485,460	$ 291,467	$ 461,950	$ 3,238,877
Percentage of total	39.57%	16.82%	20.36%	76.74%	9.00%	14.26%	100.00%

See accompanying notes to the financial statements.

EdVestors, Inc.

Statements of Cash Flows

Years ended June 30,	2018	2017
Cash Flows from Operating Activities:		
Change in net assets	$ 138,580	$ 525,559
Adjustment to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	17,745	17,544
(Decrease) increase in cash resulting from a change in:		
Temporarily restricted cash	332,620	(425,799)
Pledges receivable, net	(501,895)	139,035
Prepaid expenses and other current assets	(3,262)	(10,686)
Grants payable	(153,045)	(49,223)
Accounts payable	805	(10,112)
Accrued expenses	45,105	(28,137)
Net Cash (Used in) Provided by Operating Activities	(123,347)	158,181
Cash Flows from Investing Activities:		
Purchases of property and equipment	(4,215)	-
Net (Decrease) Increase in Cash and Cash Equivalents	(127,562)	158,181
Cash and Cash Equivalents, beginning of year	1,076,263	918,082
Cash and Cash Equivalent, end of year	$ 948,701	$ 1,076,263

See accompanying notes to the financial statements.

1. Business and Organization

EdVestors, Inc. (the "Organization" or "EdVestors"), a 501(c)(3) organization, is a dynamic school change organization focused on accelerating substantive improvement in urban schools. Since 2002, the entrepreneurial non-profit raised and directed over $29 million in private donations to urban schools for strategic improvement efforts. Targeted primarily in Boston, funded initiatives are carefully monitored for results, and the most effective are distinguished for expansion and replication. The Organization is a valued resource for donors supportive of education reform and a trusted voice for educators committed to systemic change.

EdVestors uses strategic philanthropy, education expertise, and tactical support for schools and partners to foster innovation, develop solutions, and spread knowledge so that more schools can improve. EdVestors provides seed funding for a wide range of emerging school improvement ideas through the School Solutions Seed Fund. EdVestors sheds light on promising practices in Boston public schools through the $100,000 School on the Move Prize. EdVestors drives citywide, systematic change at scale to close opportunity and achievement gaps for students through the Organization's Strategic Initiatives, including BPS Arts Expansion, focused on equitable access to quality, sequential arts instruction in schools; Zeroing in on Math, aimed at increasing math proficiency in the middle grades; and the Organization's emerging work to expand Career Technical Education pathways for high school students.

The Organization's sources of revenues and support consist primarily of grants collected and contributions from the general public.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Organization presents its financial statements on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United State of America ("GAAP").

Net Assets

Net assets are classified into the following categories:

- *Unrestricted net assets* - represent amounts not restricted for identified purposes by donors. These amounts are available to be used by the Board of Directors for the general purposes of the Organization.

- *Property and equipment fund* - represents unrestricted net assets designated for investments in property and equipment.

- *Board designated* - reserve represents unrestricted net assets whose use is designated for specific purposes by action of the Board of Directors.

- *Temporarily restricted net assets* - are those whose use by the Organization has been limited by donors to a specific period or purpose.

Use of Estimates

The preparation of financial statements in accordance 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.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Temporarily Restricted Cash

Temporarily restricted cash consists of grants that are held by the Organization which are restricted for specific time or program purposes. The release of temporarily restricted net assets must be recommended by donors or specified in the original terms of the grant to operate a specific program or to be used in a specific period of time.

Pledges Receivable

Unconditional promises to give that are expected to be collected or paid within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected or paid in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included in support or expenses until the conditions are substantially met.

The Organization provides an allowance for doubtful accounts equal to estimated pledge defaults. The estimated defaults are based on historical collection experience together with a review of the current status of the existing receivables. The balance of the allowance for uncollectible pledges as of June 30, 2018 and 2017, was $10,000.

Property and Equipment

Property and equipment greater than $2,500 are stated at historic cost or, if donated, at appraised value at the date of the gift. Expenditures for maintenance and repairs are charged to operations as incurred.

Depreciation and Amortization

Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Assets	Life in Years
Leasehold improvements	Lessor of useful life or life of lease
Furniture and fixtures	10
Telephone equipment	5
Computer and software	3-5

Depreciation and amortization expense was $17,745 and $17,544 for the years ended June 30, 2018 and 2017, respectively.

Impairment of Long-Lived Assets

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 360-10-35, *Accounting for the Impairment or Disposal of Long-Lived Assets*, requires the Organization to review long-lived assets, such as property and equipment or intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. As of June 30, 2018 and 2017, the Organization did not recognize any impairment.

Grants, Contributions, and Public Funding Revenue

Grants earned, contributions, and public funding are recognized as revenues in the year when the cash has been received from the donor or when a donor pledge is supported by a signed donor agreement or email.

Grants Payable

The amounts payable to grantees are recorded in the fiscal year that the cash is collected from the donor or when the Organization has a signed donor agreement or email confirmation with the donor.

In-Kind Services

The Organization received donated legal services during the years ended June 30, 2018 and 2017. The value of these services, as assigned by the donor, totaled $14,300 and $6,667 during 2018 and 2017, respectively, and is included in in-kind contributions and professional fees in the accompanying statements of activities

Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and, accordingly, does not provide for income taxes. An exemption was granted to the Organization on May 21, 2007.

Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions, and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the years ended June 30, 2018 and 2017, there were no interest or penalties recorded or included in the statements of activities.

Subsequent Events

The Organization has evaluated subsequent events through October 2, 2018 which is the date the financial statements were available for issuance.

3. Concentrations

The Organization has a potential concentration of credit risk in that it sometimes maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). The maximum deposit insurance amount for interest-bearing and noninterest-bearing accounts, which is applied per depositor, per insured bank for each account ownership category, is $250,000. As of June 30, 2018 and 2017, the Organization had $950,114 and $1,210,249 in excess of FDIC limits, respectively. As of June 30, 2018, there were outstanding checks totaling $678,152 that had not cleared the Organization's bank accounts.

Pledges receivable from four and two donors accounted for 67% and 63% of the Organization's pledges receivable at June 30, 2018 and 2017, respectively.

Grants from two and one donor(s) accounted for 37% and 29% of the Organization's revenues for the years ended June 30, 2018 and 2017, respectively.

4. Funds Held for Others

EdVestors, Inc. acts as a fiscal sponsor for the Boston Public Schools to administer funds that support certain programs aligned with the Organization's mission. The amounts held by the Organization are reflected as funds held for others on the accompanying statements of financial position. When funds are disbursed, a 2% fee is deducted to defray costs related to the administration of the funds. The Organization may waive a portion of this fee as an in-kind contribution. No administrative fees were taken by the Organization for the years ended June 30, 2018 and 2017. The fee for the years ended June 30, 2018 and 2017, would have been $4,000 and $13,215, respectively.

As of June 30, 2018 and 2017, funds held for others includes:

	2018	2017
Beginning balance	$ 215,243	$ 475,998
Additions during the year	75,219	399,995
Disbursements during the year	(200,085)	(660,750)
Ending Balance	$ 90,377	$ 215,243

5. Pledges Receivable

Pledges receivable consisted of the following:

June 30,	2018	2017
Total unconditional promises to give	$ 1,935,000	$ 1,426,000
Less discount to net present value at 1%	7,600	495
Less allowance for uncollectible pledges	10,000	10,000
Net unconditional promises to give	1,917,400	1,415,505
Less amount due in one year	1,175,000	1,376,000
Long-term Pledges Receivable	$ 742,400	$ 39,505

Future maturities on pledges receivable are as follows:

Years ending June 30,	
2019	$ 1,175,000
2020	720,000
2021	40,000
	$ 1,935,000

6. Line of Credit

On February 15, 2013, the Organization entered into an asset-based line of credit with a bank with a maximum availability of $350,000. The line of credit bears interest at 50 basis points (0.5%) above the bank's base rate, not to be less than 3.75%. At June 30, 2018, the interest rate was 5.5%. The line of credit is collateralized by substantially all assets of the Organization. During the year ended June 30, 2018, the line of credit was renewed through October 31, 2018. The line of credit is subject to certain financial and reporting covenants which the Organization was in compliance with at June 30, 2018 and 2017. At June 30, 2018 and 2017, the Organization had no outstanding borrowings on the line of credit.

7. Unrestricted Net Assets: Board Designated Funds

During the year ended June 30, 2018, the board approved the use of unrestricted reserves to invest in organizational capacity and strategic programs, of which the Organization drew $42,061.

During the year ended June 30, 2017, the board approved adding $150,000 to the board designated reserve fund to draw from in future years for upcoming organization or strategic investments.

The balance in the board designated reserve fund is calculated as follows:

June 30,		2018		2017
Beginning balance	$	200,000	$	50,000
Transfer from operations to reserve fund		-		150,000
Use of reserve fund		(42,061)		-
	$	157,939	$	200,000

8. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following:

June 30,		2018		2017
Arts Expansion Initiative	$	1,257,401	$	920,732
Strategic Initiatives		428,737		341,493
Seed fund and other grantmaking		164,200		130,000
School on the Move		74,874		93,816
Future operating and program funds		405,000		650,000
	$	2,330,212	$	2,136,041

Temporarily restricted net assets were released from restriction for the following:

Years ended June 30		2018		2017
Arts Expansion Initiative	$	1,031,799	$	1,282,283
Strategic Initiatives		602,506		415,584
Seed fund and other grantmaking		126,000		167,000
School on the Move		229,715		151,193
Future operating and program funds		650,000		280,000
	$	2,640,020	$	2,296,060

9. Operating Leases

The Organization has operating leases for office space and office equipment. During 2015, the Organization entered into an office lease with monthly payments ranging from $10,354 to $11,521 over the term of the lease. The lease for the space commenced on June 1, 2016, when the tenant improvements were substantially complete. The lease will expire on September 1, 2023. The Organization entered into a 36-month office equipment lease on December 1, 2014, with monthly lease payments of $87. The Organization entered into an office equipment and maintenance lease on February 1, 2018 for 39 months with monthly payments of $509.

For the years ended June 30, 2018 and 2017, total lease expense was $127,427 and $104,586, respectively.

The future minimum lease payments for all leases are as follows:

Years ending June 30,		
2019	$	136,191
2020		137,358
2021		135,125
2022		137,083
2023		138,250
Thereafter		23,042
	$	707,049

10. Defined Contribution Plan

Effective January 1, 2012, the Organization established a defined contribution salary deferral retirement plan (the "401(k) Plan"), which qualifies under Section 401(k) of the IRC. The 401(k) Plan covers substantially all employees who have met the minimum age requirement of 21 years or older and have completed 1,000 hours of service as defined by the 401(k) Plan documents and allows participants to defer a portion of their annual compensation, subject to IRC limits.

Effective July 1, 2015, the Plan was amended to allow the Organization to make matching contributions on behalf of plan participants of up to 3% of participants' salaries. Employees are eligible for participating in the plan and for matching contributions after one year of service. The Organization made $31,195 and $26,625 of matching contributions to the 401(k) Plan for the years ended June 30, 2018 and 2017, respectively.