THE WRITING REVOLUTION, INC.

FINANCIAL STATEMENTS
AND
AUDITORS' REPORT

JUNE 30, 2015
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INDEPENDENT AUDITORS’ REPORT

To: The Board of Directors of
The Writing Revolution, Inc.

We have audited the accompanying financial statements of The Writing Revolution, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, 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.

Auditor’s 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 of 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 The Writing Revolution, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Skody Scot & Company, CPAs, P.C.

New York, NY
January 5, 2016
The Writing Revolution, Inc.
Statement of Financial Position
June 30, 2015

See accompanying notes to financial statements.
Support and Revenues:
Unrestricted:
   Program service revenue $ 621,240
   Contributions  611,997
   Contributions in-kind  16,480
   Royalty income  10,692
   Total support and revenues  1,260,409

Expenses:
   Program services  592,063
   Supporting services:
      Management and general  209,120
      Fundraising  27,016
   Total expenses  828,199

Increase/(Decrease) In Net Assets/(Deficit):
   Unrestricted  432,210
   Temporarily restricted -
   Permanently restricted -
   Increase/(decrease) in net assets/(deficit)  432,210

Net assets/(deficit), beginning of year (7,561)

Net assets/(deficit), end of year $ 424,649
Cash flows from operating activities:

Increase/(decrease) in net assets $ 432,210

Adjustments for non-cash items included in operating activities -

Changes in assets and liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program revenue &amp; other receivables</td>
<td>(229,096)</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(3,679)</td>
</tr>
<tr>
<td>Related party payable</td>
<td>236,088</td>
</tr>
<tr>
<td><strong>Net cash provided/(used) by operating activities</strong></td>
<td><strong>435,523</strong></td>
</tr>
</tbody>
</table>

Cash flows from investing activities -

Cash flows from financing activities -

Net increase/(decrease) in cash 435,523

Cash at beginning of year 86,668

Cash at end of year $ 522,191
THE WRITING REVOLUTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

See accompanying notes to financial statements.

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Note 1 - Summary of Significant Accounting Policies

The Organization

The Writing Revolution, Inc. (Organization), a not-for-profit organization, was incorporated in the State of Delaware on January 15, 2014. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from contributions and program service revenue.

The Organization’s mission is to train teachers in a method of teaching expository writing to their students that will improve their critical thinking and clarity of expression that improves their reading, listening and speaking skills as well as their writing skills, with a focus on students in underserved school districts. The Organization seeks to accomplish its mission by bringing the Hochman Method, a proven, cost effective and evidence-based instructional methodology, to educational institutions. The Hochman Method is an explicit set of strategies that classroom teachers can integrate into every content area.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

In accordance with GAAP the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash Equivalents

For the purposes of the statements of financial position and the statements of cash flows, the Organization considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposits and treasury bills, with an original maturity of three months or less. At June 30, 2015, the Organization did not have any resources that were considered cash equivalents.
Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Program service revenue relates to fees received in exchange for program services. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred income.

Contributions are considered available for the Organization’s general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increases in the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries based on estimated time and other expenses are allocated based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectable grants.

Advertising Costs

The Organization uses advertising to promote its programs among the audience it serves. The production costs of advertising are expensed as incurred. During the year ended June 30, 2015, advertising costs totaled $716.
Note 2 - Contribution In-Kind

Significant services that were donated to the Organization meet the criteria for being recognized as contributions in accordance with GAAP. Amounts are recorded at their estimated fair market values at the date of donation using published rates and prices.

For the year ended June 30, 2015, $16,480 was received and reported as contributions in-kind on the accompanying statement of activities and consisted of donated use facilities.

Note 3 - Concentrations

The Organization maintains its checking accounts with a financial institution. Institutional balances do not include transactions which are outstanding and have not cleared their accounts. Balances that exceed the Federal Deposit Insurance Corporation insurance coverage are summarized for the year ended June 30, 2015 are as follows:

| Institution balances     | $ 525,527 |
| Less: Amounts covered    | (  250,000) |
| Uninsured amounts        | $ 275,527 |

Note 4 - Fundraising Expenses

The Organization conducted activities that included direct solicitations for sponsorship (fundraising). The costs of personnel conducting those sponsorship activities included fundraising, administrative and program expenses (collectively defined as joint costs). The total joint costs were allocated for the year ended June 30, 2015 as follows:

| Program expenses     | $167,860 |
| Management and general | 13,352 |
| Fundraising           | 9,538 |
| Total joint costs     | $190,750 |

Note 5 - Related Party Transactions

A board member and officer of the Organization loaned $50,000 in operating funds to the Organization. The unsecured $50,000 loan is interest-free and has no set maturity date.

As of June 30, 2015, the Organization owes the officer $226,040 for current and past educational program services. In addition, the Organization recorded a liability of $20,410 related to taxes on the accrual for services provided by the officer.

Note 6 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through January 5, 2016, which is the date the financial statements were available to be issued.