The Writing Revolution, Inc.

Audited Financial Statements

June 30, 2024

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Independent Auditor's Report

To the Board of Directors
The Writing Revolution, Inc.

Opinion

We have audited the financial statements of The Writing Revolution, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2024, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Sax CPAs LLP

New York, NY
December 3, 2024

The Writing Revolution, Inc.

Statement of Financial Position

June 30, 2024

ASSETS

Cash and cash equivalents	$ 829,554
Investments	5,047,211
Program revenue and other receivables	1,292,228
Prepaid expenses	20,953
Security deposits	23,778
TOTAL ASSETS	$ 7,213,724

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts payable and accrued expenses	$ 401,389
Deferred revenue	57,848
Total liabilities	459,237
NET ASSETS	
Without donor restrictions	6,734,487
With donor restrictions	20,000
Total net assets	6,754,487
TOTAL LIABILITIES AND NET ASSETS	$ 7,213,724

The attached notes and auditor’s report are an integral part of these financial statements.

The Writing Revolution, Inc.

Statement of Activities

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Program service revenue	$ 6,308,226	$ -	$ 6,308,226
Contributions	559,989	195,000	754,989
Royalty income	171,407	-	171,407
Investment return and other interest income	221,268	-	221,268
Other income	17,766	-	17,766
Net assets released from restrictions	205,000	(205,000)	-
Total public support and revenue	7,483,656	(10,000)	7,473,656
EXPENSES			
Program services	5,132,258	-	5,132,258
General and administrative	1,745,829	-	1,745,829
Fundraising	570,390	-	570,390
Total expenses	7,448,477	-	7,448,477
Change in net assets	**35,179**	**(10,000)**	**25,179**
NET ASSETS, ***beginning of year***	6,699,308	30,000	6,729,308
NET ASSETS, ***end of year***	**$ 6,734,487**	**$ 20,000**	**$ 6,754,487**

The attached notes and auditor's report are an integral part of these financial statements.

The Writing Revolution, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2024

	Program Services	General and Administrative	Fundraising	Total
Salaries	$ 2,783,021	$ 930,117	$ 319,221	$ 4,032,359
Payroll taxes	221,854	74,146	25,447	321,447
Employee benefits	327,359	109,406	37,549	474,314
Total salaries and related expenses	3,332,234	1,113,669	382,217	4,828,120
Bad debt	-	42,056	-	42,056
Bank charges & processing fees	-	33,154	-	33,154
Consultants and outside contractors	748,875	250,283	85,898	1,085,056
Equipment purchases	35,639	18,101	5,436	59,176
Marketing and promotion	35,151	11,748	4,032	50,931
Office expenses	59,886	30,417	9,135	99,438
Printing and graphic design	11,658	3,896	1,337	16,891
Professional employer organization fees	111,677	37,323	12,810	161,810
Rent and utilities	176,035	58,833	20,192	255,060
Software subscriptions	77,609	39,419	11,838	128,866
Stipends	31,790	-	-	31,790
Supplies and training materials	205,722	5,435	1,631	212,788
Event expense	106,717	34,899	13,008	154,624
Travel and meetings	199,265	66,596	22,856	288,717
Total expenses	**$ 5,132,258**	**$ 1,745,829**	**$ 570,390**	**$ 7,448,477**

The attached notes and auditor's report are an integral part of these financial statements.

The Writing Revolution, Inc.

Statement of Cash Flows

For the Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 25,179
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Operating lease right-of-use asset and liability	(47,329)
Program revenue and other receivables	22,324
Prepaid expenses	7,929
Security deposits	(5,339)
Accounts payable and accrued expenses	169,949
Deferred revenue	(16,100)
Total adjustments	131,434
Net cash provided by operating activities	**156,613**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments including reinvestment of interest and dividends	(984,067)
Net cash used for investing activities	**(984,067)**
Net decrease in cash and cash equivalents	**(827,454)**
CASH AND CASH EQUIVALENTS, *beginning of year*	1,657,008
CASH AND CASH EQUIVALENTS, *end of year*	**$ 829,554**
SUPPLEMENTAL CASH FLOW INFORMATION	
No interest or taxes were paid	**$ -**

The attached notes and auditor's report are an integral part of these financial statements.

Note 1 - Nature of the Organization

The Writing Revolution, Inc. (the "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.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting and Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred rather than received or paid.

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958 - *Presentation of Financial Statement of Not-For-Profit Entities*. FASB ASC 958 requires the Organization to report information regarding its financial position and activities according to the following specific classes of net assets:

- *Net Assets without Donor Restrictions* - represents those resources for which there are no restrictions by donors as to their use.

- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

b. Recently Adopted Accounting Standard

On July 1, 2023, the Organization adopted the FASB's Accounting Standards Update ("ASU") 2016-13, *Financial Instruments-Credit Losses* ("Topic 326"). Financial assets, which potentially subject the Organization to credit losses, consisted of receivables from program service income, reflected on the statement of financial position. Expected losses are recorded to an allowance for credit losses valuation account that is net against the corresponding asset to present the net amount expected to be collected on the financial asset. The credit loss allowance is determined through analysis of the financial assets and assessments of risk that are based on historical trends and evaluation of the impact of current and projected economic conditions. The adoption of this standard did not have a material impact on the Organization's financial statements.

Note 2 - Summary of Significant Accounting Policies - Continued

b. Recently Adopted Accounting Standard - Continued

Management has reviewed the collectability of all receivables, factoring in judgement about the creditworthiness and age of the receivable, as well as historical experience. Based on that evaluation, management has determined that no reserve for doubtful accounts is warranted.

c. Revenue Recognition

The Organization follows the requirements of the FASB's Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are recognized when they become unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

The Organization recognizes contributions when cash and other financial assets, nonfinancial assets or services, or unconditional promises to give are received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to the meeting of these conditions are reported as refundable advances in the statement of financial position. At June 30, 2024, the Organization did not have any conditional pledges that were not recognized.

All 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 for a purpose by the donor are reported as revenue with donor restrictions and increases in net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

Program service revenue relates to fees received in exchange for program services and consists primarily of educator training workshops and instructional courses. The Organization's program service revenue includes an exchange transaction component for the value of the goods or services received, which follows revenue recognition guidance under ASC Topic 606. The amount paid by individuals and corporations generally contains a single delivery/service element and revenue is recognized at a single point in time when ownership, risk and rewards transfer, and all performance obligations are considered to be satisfied. Any revenue received which has not been earned is recorded as deferred revenue.

The Organization receives royalty revenue relating to book sales which the Organization holds the rights to. Revenue is recognized when the sale takes place. Any revenue received which has not been earned is recorded as deferred revenue.

Note 2 - Summary of Significant Accounting Policies - Continued

d. Cash and 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 deposit with an original maturity to the Organization of three months or less.

e. Investments and Investment Income

Investments are recorded at fair value, which refers to the price that would be received to sell an asset or paid to transfer a liability (*i.e.*, "exit price") in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are recognized in the statement of activities.

f. Receivables

Receivables that are expected to be collected within one year are recorded at net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. As of June 30, 2024 there were no receivables that were expected to be received in more than one year and as such they have been stated at their net realizable value. All receivables were reviewed and determined to be collectable therefore no allowance is deemed necessary.

g. Advertising

The cost of advertising is expensed as incurred.

h. Contributed Services

Board members and other individuals volunteer their time and perform a variety of services that assist the Organization. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

i. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following costs are allocated based on time and effort:

- Salaries
- Consultants and outside contractors

The following costs are allocated based on salary allocation:

- Payroll taxes
- Employee benefits
- Office expenses
- Rent and utilities

Note 2 - Summary of Significant Accounting Policies - Continued

i. Functional Allocation of Expenses - Continued

- Software subscriptions
- Supplies and training materials
- Travel and meetings

All other expenses have been charged directly to the applicable program or supporting services.

j. Property, and Equipment

Property and equipment are recorded at cost, or if donated, at the approximate fair value at the date of donation. Items with a value of $5,000 or more with estimated useful lives of more than one year are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, principally five years.

k. Management Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

l. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for the periods ending June 30, 2021 and later are subject to examination by applicable taxing authorities.

m. Concentrations

The Organization maintains its checking, money market accounts, certificates of deposit, and investments with a financial institution. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to $250,000 per financial institution. The Securities Investor Protection Corporation (SIPC) insures cash and securities up to $500,000 per financial institution. At times, the balances of the accounts exceeded the insured limits during the years ended June 30, 2024.

Note 3 - Investments and Fair Value Measurements

Investments are recorded at fair value. Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Note 3 - Investments and Fair Value Measurements - Continued

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments consisted of the following at June 30, 2024:

Level 1:	
Money market funds and other cash	$ 4,022,498
Fixed income - Certificate of Deposit	1,024,713
Total	$ 5,047,211

Level 1 securities are valued at the closing price reported on the active market that they are traded on. Those methods produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

The following summarizes the investment return:

Interest and dividends	$ 221,268
Total investment return	$ 221,268

Note 4 - Net Assets With Donor Restrictions

As of June 30, 2024, net assets with donor restrictions are available as follows:

	Beginning Balance 7/1/2023	Contributions	Released from Restrictions	Ending Balance 6/30/2024
Program restrictions:				
The Baton Rouge Area Foundation	$ -	$ 89,000	$ (89,000)	$ -
Hardin Foundation	-	40,000	(40,000)	-
Joseph & Lisa Amato	-	10,000	(10,000)	-
The Chisholm Foundation	-	20,000	-	20,000
The Laura B. Vogler Foundation, Inc	-	1,000	(1,000)	-
The Lincoln Fund	-	35,000	(35,000)	-
Total program restrictions	-	195,000	(175,000)	20,000
Time	30,000	-	(30,000)	-
Total	$ 30,000	$ 195,000	$ (205,000)	$ 20,000

Note 5 - Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures.

Note 5 - Liquidity and Availability of Financial Assets - Continued

Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of June 30, 2024, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

Financial assets:	
Cash and cash equivalents	$ 829,554
Investments	5,047,211
Receivables	1,292,228
Total financial assets	7,168,993
Less those unavailable for general expenditures within one year	(20,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 7,148,993

Note 6 - Related Party Transactions

During the year ended June 30, 2024, members of the Organization's Board of Directors and their family members were paid a salary for their services to the Organization as employees. The total amount paid to the related parties during the year then ended was $ 32,208.

Note 7 - Subsequent Events

Subsequent events have been evaluated through December 3, 2024, the date the financial statements were available to be issued. On August 1, 2024, the Organization entered into a lease agreement for the right to use office space in New York, NY for a monthly fee of $34,714 equivalent to $416,568 annually which is set to expire July 31, 2027. There were no other material events that have occurred that require adjustment to or disclosure to the financial statements.