FILML.A., INC.

(A NONPROFIT ORGANIZATION)
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2011 and 2010

FILML.A., INC.
(A NONPROFIT ORGANIZATION)
CONTENTS
June 30, 2011 and 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
FilmL.A., Inc.
Los Angeles, California

We have audited the accompanying statements of financial position of FilmL.A., Inc. (the "Organization") as of June 30, 2011 and 2010, and the related statements of activities 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. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 financial statements referred to above present fairly, in all material respects, the financial position of FilmL.A., Inc. as of June 30, 2011 and 2010, and the 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.

SingerLewak LLP

SingerLewak LLP

Los Angeles, California
October 20, 2011

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FILML.A., INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2011 and 2010

ASSETS

	2011	2010
Current assets		
Cash and cash equivalents	$ 3,130,603	$ 3,523,967
Accounts receivable	732,544	587,947
Prepaid expenses and other assets	154,264	194,049
Total current assets	4,017,411	4,305,963
Investments	2,163,186	-
Property and equipment (net)	1,024,425	1,276,829
Total assets	**$ 7,205,022**	**$ 5,582,792**

LIABILITIES AND NET ASSETS

	2011	2010
Current liabilities		
Accounts payable and accrued expenses	$ 472,203	$ 398,994
Due to permittees	1,175,621	291,149
Total current liabilities	1,647,824	690,143
Due to contracted permitting authorities	1,029,386	1,527,656
Deferred rent	269,800	289,710
Total liabilities	2,947,010	2,507,509
Commitments and contingencies (Note 8)		
Net assets		
Unrestricted:		
Undesignated	3,286,012	3,075,283
Board designated	972,000	-
Total net assets	4,258,012	3,075,283
Total liabilities and net assets	**$ 7,205,022**	**$ 5,582,792**

The accompanying notes are an integral part of these financial statements.

FILML.A., INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2011 and 2010

	Unrestricted	
	2011	2010
Revenues, support and gains		
Permit operations	$ 5,505,194	$ 5,256,286
Field services	2,685,023	2,478,363
Property management fees	327,984	290,727
Film Works campaign contributions	77,500	-
Investment and other income	38,119	22,995
Loss on disposal of property and equipment	(5,144)	-
Total revenues, support and gains	8,628,676	8,048,371
Expenses		
Program services	4,635,337	4,295,242
Management and general	2,810,610	2,451,553
Total expenses	7,445,947	6,746,795
Change in net assets	1,182,729	1,301,576
Net assets, beginning of year	3,075,283	1,773,707
Net assets, end of year	**$ 4,258,012**	**$ 3,075,283**

The accompanying notes are an integral part of these financial statements.

FILML.A., INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Change in net assets	$ 1,182,729	$ 1,301,576
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	397,241	370,713
Bad debt expense	7,822	2,678
Loss on disposal of property and equipment	5,144	-
Net realized and unrealized loss on investments	23,365	-
Changes in operating assets and liabilities:		
Accounts receivable	(152,419)	(169,477)
Prepaid expenses and other assets	39,785	17,755
Accounts payable and accrued expenses	73,209	5,750
Due to permittees	884,472	(371,915)
Due to contracted permitting authorities	(498,270)	222,449
Advance deposits	-	(180,251)
Deferred rent	(19,910)	(10,419)
Net cash provided by operating activities	1,943,168	1,188,859
Cash flows from investing activities		
Purchase of property and equipment	(149,981)	(128,601)
Purchase of investments	(3,154,061)	-
Proceeds from sale of investments	967,510	2,212,865
Net cash provided by (used in) investing activities	(2,336,532)	2,084,264
Cash flows from financing activities		
Payments on line of credit	-	(32,153)
Net cash used in financing activities	-	(32,153)
Net increase (decrease) in cash and cash equivalents	(393,364)	3,240,970
Cash and cash equivalents, beginning of year	3,523,967	282,997
Cash and cash equivalents, end of year	**$ 3,130,603**	**$ 3,523,967**
Summary of non-cash investing and financing activities:		
Interest paid	**$ -**	**$ 155**

The accompanying notes are an integral part of these financial statements.

NOTE 1 – NATURE OF ORGANIZATION

FilmL.A., Inc. (the "Organization") is a nonprofit 501(c)4 public benefit corporation, organized for public purposes under the California Nonprofit Public Benefit Corporation Law.

In recognition of the importance of film and media production to the Southern California regional economy, the Organization was formed in 1995 in an effort to enhance film and media production and to attract and retain jobs.

The Organization supports efforts to retain film and media production in the region by:

- Providing efficient film permit coordination services.
- Serving as a resource for, and a liaison and mediator between, diverse communities and the production industry on film and media issues to mitigate the impact filming may have on the local residents and merchants.
- Creating opportunities and programs for enhancing, improving and addressing needs relating to the film and media production industry.

During the fiscal year 2011, the Organization entered into contract with Norwalk-La Mirada Unified School District, which expires April 1, 2013, and USDA Forest-Tulare County, which expires on May 31, 2015. During the fiscal year 2010, as the Organization's contracts with the City and County of Los Angeles and the Los Angeles Unified School District expired, the Organization entered into new film permit coordination service contracts. In March 2010, the Organization entered into a new contract with the City of Los Angeles which runs through June 30, 2015 with three renewable extensions of five years each. In September 2009, the Organization executed an agreement with the County of Los Angeles which expires in September 2014. The County contract contains the option to be extended twice for a period of five years each. The new contract with the Los Angeles Unified School District was entered into in February 2010 and expires February 2013, with two options to renew for one year periods. The Organization also has working agreements with the Burbank Unified School District, La Cañada Unified School District, San Gabriel Unified School District, Lawndale School District, Angeles National Forest Service, the Port of Los Angeles and the cities of West Hollywood, South Gate, Diamond Bar, City of Industry, Palmdale, La Habra Heights and Lancaster.

<u>Film Works Campaign</u>
During the year ended June 30, 2011, the Organization started a campaign titled Film Works, which operates as a DBA of the Organization. Film Works is a multi-phased, multi-format marketing campaign designed to increase public awareness of the cultural, civic and economic benefits that the film industry brings to Los Angeles, stressing the importance of keeping Los Angeles the entertainment production capital of the world.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation
The accompanying financial statements are presented using the accrual basis of accounting.

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 reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash and cash equivalents generally consist of cash and highly liquid investments with an initial maturity of three months or less. These securities are primarily held at one financial institution and are insured by the Federal Deposit Insurance Corporation ("FDIC") coverage up to $250,000, as they are interest bearing accounts. The FDIC provides unlimited insurance on non-interest bearing accounts. At times during the year, cash in these accounts exceeds the Federally insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Investments
Investments consist of debt securities with readily determinable market values, which are recorded at fair market value based on quoted market prices. Unrealized gains and interest income are reflected in the accompanying statement of activities.

Estimated Fair Value of Financial Instruments

According to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic No. 820, "Fair Value Measurements and Disclosures" ("ASC 820"), fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e. the exit price).

ASC 820 requires enhanced disclosures about financial instruments that are measured and reported at fair value. ASC 820 establishes a fair value hierarchy that prioritizes and ranks the level of market price observability used in measuring fair value. Market price observability is impacted by a number of factors, including the type of instrument, the characteristics specific to the instrument and the state of the marketplace (including the existence and transparency of transactions between market participants). Instruments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices in an orderly market will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimated Fair Value of Financial Instruments (Continued)
Instruments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date.

Level 2 – Pricing inputs are observable for the instruments, either directly or indirectly, as of the reporting date but are other than quoted prices in active markets as in Level 1. Fair value is determined through observable trading activity reported at net asset value or through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant judgment or estimation by the Organization.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given instrument is based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

At June 30, 2011 and 2010, the Organization's financial instruments consisted primarily of cash and cash equivalents, accounts receivable, prepaid expenses and other assets, investments, liabilities to permittees and contracted permitting authorities, accounts payable, accrued expenses and other current liabilities, which are all stated at fair value due to the short maturity of these instruments.

Investments are financial assets and are primarily classified within Level 1, because these accounts were valued primarily using quoted market prices utilizing market-observable inputs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable
Receivables are recorded when billed or accrued and represent amounts due from third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, if any, represents the estimated net realizable value. The allowance for doubtful accounts is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectibility of those balances and the allowance is adjusted accordingly. Past-due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. Accounts receivable are deemed fully collectible by management and therefore no allowance for doubtful accounts was recorded as of June 30, 2011 and 2010.

Property and Equipment
Property and equipment are recorded at cost, if purchased or at fair value at the date of donation, if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to $2,000 and the useful life is greater than one year.

Estimated useful lives of property and equipment are as follows:

Office equipment	3 – 5 years
Furniture and fixtures	5 – 7 years
Computer equipment	3 years
Software and development	3 – 7 years
Leasehold Improvements	Shorter of the lease term or estimated life of the improvement

Software and development costs related to the permitting system have been capitalized or expensed in accordance with FASB ASC Topic No. 350-40, "Internal-Use Software Recognition."

Long-lived Assets
The Organization evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the assets, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No such impairment losses have been recognized during the years ended June 30, 2011 and 2010.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the Organization are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

Unrestricted Net Assets – These generally result from revenues generated by receiving unrestricted support, providing services and receiving income from investments less expenses incurred in providing program-related services and performing administrative functions.

Unrestricted Board-designated Net Assets – These are comprised of resources which the board of directors have designated to be used for future capital expenditures, establishing operating reserves and strategic planning. There was $972,000 and $0 designated at June 30, 2011 and 2010, respectively.

Temporarily and Permanently Restricted Net Assets – In the event that the Organization receives cash or other assets with donor stipulations that limit the use of the assets, the Organization would report either temporarily restricted net assets or permanently restricted net assets, depending on the type of donor restriction. However, the Organization has only received unrestricted support in the past; therefore, no temporarily restricted or permanently restricted net assets are reflected in the accompanying financial statements.

Due to Permittees

Amounts due to permittees represents amounts that the Organization expects to pay to its customers to reimburse them, in accordance with film permit terms and conditions, when the actual amount that the Organization is billed by the permitting authorities in service fees related to an individual permit is less than the amount the Organization and the contracted permitting authorities calculated. The Organization includes in the amount it charges its customers for a film permit the amount that it estimates it will be obligated to pay the permitting authorities in service fees related to the permit. Following completion of the permit activity, the permitting authorities bill the Organization for the service fees related to each permit.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Due to Permittees (Continued)
Sometimes, the amount that the Organization actually pays the permitting authorities in connection with an individual permit may be less or more than what the Organization estimated it would be obligated to pay. When the Organization charges its customers more than what it actually ends up paying the permitting authorities, the Organization pays the difference to the permittee in accordance with the terms and conditions of the film permit. Estimated service fees are recognized as permit operations revenue in the period following lapse of the refund request requirement, which is 90 days after the end of filming. During the years ended June 30, 2011 and 2010, the Organization recognized $800,089 and $1,007,903, respectively, for unrequested refunds, which are included in permit operations in the accompanying statement of activities. Unrequested refunds represented 12,408 permit line item charges with an average unrequested refund amount of $60 for the year ended June 30, 2011 and 15,733 permit line item charges with an average unrequested refund amount of $64 for the year ended June 30, 2010.

Due to Contracted Permitting Authorities
Amounts due to local governments and agencies (“permitting authorities”) represent amounts that the Organization estimates it will become obligated to pay permitting authorities for service and use charges (“service fees”) incurred in connection with filming activities conducted by the Organization’s customers. Prior to releasing a permit, the Organization collects from its customers the total amount it charges for the permit. That amount includes what the Organization anticipates it will be required to pay the permitting authority in service fees relating to the permit. Following completion of the associated permit activity, the respective permitting authorities submit invoices to the Organization representing the actual service fees incurred. Permit authorities historically invoice the Organization within one to thirty-six months from the date of permit issuance. The Organization is required to remit payment for service fees to the permitting authorities within thirty to sixty days of invoice receipt from the permitting authorities. The Organization estimates the liability to permitting authorities based on historical data and the level of invoiced permits.

The Organization also provides for a reserve for un-invoiced amounts, based on historical invoicing. As of June 30, 2011 and 2010, the Organization included $56,651 and $113,301, respectively, due to contracted permitting authorities for this reserve (see Note 6).

Deferred Rent
The Organization recognizes the benefits of rent abatement as well as escalating rent provisions on a straight-line basis over the terms of the leases. Deferred rent totaled $269,800 and $289,710 as of June 30, 2011 and 2010, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition
Permit application, processing and other service fees are recorded as revenues in the period in which permits are issued or services are rendered. Excess estimated service fees are recognized as revenue in the period following lapse of the refund request requirement, or as reasonably practicable, based upon historical data and experience.

Advertising Costs
The Organization expenses the costs of advertising and promotion as incurred. Total advertising and promotion expenses for the years ended June 30, 2011 and 2010 were $68,882 and $119,261, respectively.

Income Taxes
The Organization is a tax-exempt organization under Section 501(c)4 of the Internal Revenue Code (the "Code") and corresponding California provisions, as the Organization qualifies as a charitable organization whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to Federal or state income tax. The Organization currently has no unrelated business income. Accordingly, no provision for Federal or state income taxes has been recorded.

In accordance with ASC 740 "Uncertainty in Income Taxes," the Organization recognizes the impact of tax positions in the financial statements if that position is more likely than not of being sustained on audit, based on the technical merits of the position. To date, the Organization has not recorded any uncertain tax positions. During the years ended June 30, 2011 and 2010, the Organization did not recognize any amount in potential interest and penalties associated with uncertain tax positions. As of June 30, 2011, the open Federal and state tax years for the Organization were 2007 to 2010 and 2006 to 2010, respectively.

Functional Allocation of Expenses
Costs of providing the Organization's programs and other activities have been presented in the statement of activities. During the year, such costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Organization uses facility square footage and employee full-time equivalents and salary dollars to allocate indirect costs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements
In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-06, "Improving Disclosures about Fair Value Measurements," which was codified in Topic 820, "Fair Value Measurements and Disclosures." This guidance amends the disclosure requirements related to recurring and nonrecurring fair value measurements and requires new disclosures on significant transfers of assets and liabilities between Level 1 and Level 2 of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a rollforward of activities on purchases, sales, issuance and settlements of the assets and liabilities measured using Level 3 measurements. The guidance is effective for the reporting period beginning July 1, 2010, except for the disclosure on the rollforward activities for Level 3 fair value measurements, which will become effective for the reporting period beginning July 1, 2011. The Foundation had no significant transfers of assets or liabilities between Level 1 and Level 2. The adoption of this ASU did not have a material effect on the Organization's financial statements.

Recently Issued Accounting Pronouncements
In May 2011, the FASB issued FASB No. 2011-04, "Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS" ("ASU 2011-04"). ASU 2011-04 affects all entities that are required or permitted to measure or disclose the fair value of an asset, a liability or an instrument classified in a reporting entity's equity in the financial statements. ASU 2011-04 changed the wording used to describe many of the requirements in US GAAP for measuring fair value and for disclosing information about fair value measurements. Amendments under ASU 2011-04 will be effective for annual periods beginning after December 15, 2011. The Organization's management does not believe the adoption of this guidance will have a material impact on the financial statements.

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENT

As defined in FASB Accounting Standards Codification Topic No. 820, "Fair Value Measurements" ("ASC 820"), fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e. the exit price). In determining fair value, the Organization uses the market approach. Based on this approach, the Organization utilizes certain assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and the reliability of the information used to determine fair values.

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)

The following table summarizes the fair value of the Organization's financial assets which are measured on a recurring basis by the fair value hierarchy levels in accordance with ASC 820 as of June 30, 2011:

	Level 1	Level 2	Level 3	Total
Investments				
Cash equivalents	$ 2,849,729	$ -	$ -	$ 2,849,729
Fixed income investments:				
Government bonds and notes	1,195,753	-	-	1,195,753
Municipal bonds	143,674	-	-	143,674
Corporate bonds	823,742	-	-	823,742
Total investments	**$ 5,012,898**	**$ -**	**$ -**	**$ 5,012,898**

As of June 30, 2010, the Organization had $2,735,453 held in a money market account that earned $22,820 of investment income.

The fair value of fixed income investments equals the market value based on market prices provided by recognized broker dealers. They are classified within Level 1 of the valuation hierarchy.

Investment income for the year ended June 30, 2011 includes the following amounts:

Interest and dividend income	$ 61,239
Net realized and unrealized losses	(23,365)
Total	**$ 37,874**

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2011 and June 30, 2010 consisted of the following:

	2011	2010
Software and development	$ 1,433,555	$ 1,340,949
Leasehold improvements	375,926	375,926
Computer equipment	283,253	305,280
Furniture and fixtures	230,619	221,009
Office equipment	166,953	151,172
	2,490,306	2,394,336
Less accumulated depreciation and amortization	1,465,881	1,117,507
Total property and equipment (net)	**$ 1,024,425**	**$ 1,276,829**

NOTE 4 – PROPERTY AND EQUIPMENT (Continued)

Depreciation and amortization expense for the years ended June 30, 2011 and June 30, 2010 were $397,241 and $370,713, respectively.

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at June 30, 2011 and 2010 consisted of the following:

	2011	2010
Accrued salaries and payroll taxes	$ 367,651	$ 343,076
Accounts payable	22,907	-
Other accrued expenses	81,645	55,918
Total accounts payable and accrued expenses	**$ 472,203**	**$ 398,994**

NOTE 6 – DUE TO CONTRACTED PERMITTING AUTHORITIES

Amounts due to contracted permitting authorities at June 30, 2011 and June 30, 2010 consist of the following:

	2011	2010
City of Los Angeles	$ 737,268	$ 1,128,632
City of Los Angeles - contingency (see Note 2)	56,651	113,301
Los Angeles Unified School District	108,860	229,511
County of Los Angeles	103,091	55,912
Others	23,516	300
Total due to contracted permitting authorities	**$ 1,029,386**	**$ 1,527,656**

NOTE 7 – LINE OF CREDIT

As of June 30, 2010, the Organization held a revolving line of credit with a commercial bank in the amount of $1,000,000. The revolving line of credit had a maturity date of June 28, 2011 but was renewed on June 8, 2011 through June 28, 2012. Interest is payable monthly at the bank's Prime rate (3.25% at June 30, 2011 and 2010). Amounts due under the line of credit are secured by all securities held within the Organization's Managed Investment Account. As of June 30, 2011 and 2010, there were no outstanding borrowings against this line of credit.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Operating Lease

During the year ended June 30, 2007, the Organization entered into a sublease with an assignment of rent to Los Angeles Center Studios for an additional usable 2,779 square feet of office space. The sublease term was from March 2007 through May 2011, at which time it began to run concurrently with the master lease. The master lease is still in effect with escalating payments over the next seven years, expiring in August 2016. The deferred rent liability for the master lease was $269,800 and $289,710, respectively, as of June 30, 2011 and 2010.

Future minimum lease payments, by year and in aggregate, with initial or remaining terms of one year or more consist of:

Years Ending June 30,	Amount
2012	$ 445,887
2013	459,955
2014	474,394
2015	487,616
2016	544,238
Thereafter	42,241
Total	**$ 2,454,331**

Rent expense under all leases for the years ended June 30, 2011 and 2010 were $418,577 and $388,484, respectively.

NOTE 9 – RETIREMENT PLAN

The Organization has a 401(k) plan for the benefit of substantially all employees. The Organization's contributions are at the discretion of the board of directors and subject to statutory limitations. Discretionary contributions for the years ended June 30, 2011 and June 30, 2010 were $180,769 and $169,746, respectively.

NOTE 10 – SUBSEQUENT EVENTS

Management evaluated all activity of the Organization through October 20, 2011 (the issue date of these financial statements) and concluded that no material subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.