JUNE 30, 2010 AND 2009

AND AUDITORS' REPORT

FINANCIAL STATEMENTS

LEARNING CENTER, INC.

GSE C,HILD DEVELOPMENT AND
TABLE OF CONTENTS

LEARNING CENTER, INC.

GSC CHILD DEVELOPMENT AND

Notes to Financial Statements

A - Balance Sheet

B - Statement of Activities

C - Statement of Cash Flows

Exhibit

Independent Auditor’s Report
October 19, 2010

Dear [Client's Name],

Silas of America,

Years have passed in compliance with accounting principles generally accepted in the United States from June 30, 2010, and 2009, and the changes in net assets and cash flows for the years then ended are reflected in the financial statements of GSECC Child Development and Learning Center, Inc. as of June 30, 2010, and 2009. The financial statements are the responsibility of GSECC Child Development and Learning Center, Inc.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GSECC Child Development and Learning Center, Inc. as of June 30, 2010, and 2009, and the changes in net assets and cash flows for the years then ended.

We conducted our audit in accordance with accounting principles 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the company's internal control over financial reporting. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes evaluating the overall presentation and disclosures and forming an opinion on the financial statements.

We have audited the accompanying balance sheet of GSECC Child Development and Learning Center, Inc. as of June 30, 2010, and 2009, and the related statements of activities for the years then ended.

Independent Auditor's Report

LOEB TROPER LLP

Board of Directors

GSECC Child Development and Learning Center, Inc.
The accompanying notes are an integral part of these statements
See independent auditors report.

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Liabilities</th>
<th>Net Assets - unrestrictor (Exhibit B)</th>
<th>Accounts Payable and Accrued Expenses</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$120,860</td>
<td>$94,195</td>
<td>$82,170</td>
<td>$11,366</td>
</tr>
<tr>
<td>2009</td>
<td>$121,025</td>
<td>$94,494</td>
<td>$82,170</td>
<td>$11,366</td>
</tr>
</tbody>
</table>

### Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash</th>
<th>Accounts Receivable</th>
<th>Advances to CUNY Research Foundation</th>
<th>Fixed Assets - net (Note 3)</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$16,407</td>
<td>$9,369</td>
<td>$6,175</td>
<td>$78,415</td>
<td>$236</td>
</tr>
<tr>
<td>2009</td>
<td>$16,417</td>
<td>$9,369</td>
<td>$6,175</td>
<td>$78,415</td>
<td>$236</td>
</tr>
</tbody>
</table>

### JUNE 30, 2010 AND 2009 BALANCE SHEET

LEARNING CENTER, INC.
GS&C CHILD DEVELOPMENT AND EXHIBIT A
<table>
<thead>
<tr>
<th>Year</th>
<th>Total Program Services</th>
<th>Other Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$107,300</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$107,300</td>
<td></td>
</tr>
</tbody>
</table>

**Years Ended June 30, 2010 and 2009**

**Statement of Activities**

CSSC Child Development and Learning Center, Inc.

**Exhibit B**
The accompanying notes are an integral part of these statements.

See Independent auditors report.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>109,494</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>118,848</td>
<td></td>
<td>109,494</td>
</tr>
<tr>
<td>(9,354)</td>
<td></td>
<td>(27,324)</td>
</tr>
<tr>
<td>436,075</td>
<td></td>
<td>448,107</td>
</tr>
<tr>
<td></td>
<td></td>
<td>117,777</td>
</tr>
<tr>
<td>51,037</td>
<td>$</td>
<td>52,785</td>
</tr>
<tr>
<td>59</td>
<td></td>
<td>45</td>
</tr>
<tr>
<td>525</td>
<td></td>
<td>525</td>
</tr>
<tr>
<td>37,011</td>
<td></td>
<td>37,011</td>
</tr>
<tr>
<td>09,060</td>
<td></td>
<td>11,086</td>
</tr>
<tr>
<td>19,005</td>
<td>$</td>
<td>20,058</td>
</tr>
</tbody>
</table>

Net assets - end of year (Exhibit A)

Net assets - beginning of year

Change in unrestricted net assets (Exhibit C)

Total expenses

Total management and general expenses

Supporting services (continued)

Donated services (Note 4)

Meeting
Depreciation
Occupancy (Note 5)
Professional fees
Sales and related expenses

YEARS ENDED JUNE 30, 2010 AND 2009

STATEMENT OF ACTIVITIES

GOSC CHILD DEVELOPMENT AND LEARNING CENTER, INC.

EXHIBIT B
The accompanying notes are an integral part of these statements.

See Independent auditors report.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash - end of year</td>
<td>$9,369</td>
<td>$</td>
</tr>
<tr>
<td>Cash - beginning of year</td>
<td>$16,407</td>
<td>23,354</td>
</tr>
<tr>
<td>(8,947)</td>
<td>(7,038)</td>
<td>(7,038)</td>
</tr>
<tr>
<td>1,186</td>
<td>659</td>
<td></td>
</tr>
<tr>
<td>400</td>
<td>15,665</td>
<td></td>
</tr>
<tr>
<td>108</td>
<td>1,181</td>
<td></td>
</tr>
<tr>
<td>4,800</td>
<td>2,181</td>
<td></td>
</tr>
<tr>
<td>(9,354)</td>
<td>(27,324)</td>
<td>$</td>
</tr>
</tbody>
</table>

Net decrease in cash

Net cash used by operating activities

Accounts payable and accrued expenses
Increase in liabilities
Other advances
Advances to CLUNY Research Foundation
Accounts receivable
Decrease (increase) in assets
Depreciation
Adjustments to recognize change in net assets
Adjustments to recognize change in net assets (Exhibit B)
Cash flows from operating activities

YEARS ENDED JUNE 30, 2010 AND 2009

STATEMENT OF CASH FLOWS

EXHIBIT C
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on the accrual basis of accounting. The primary sources of revenues are grants and contracts from government agencies, child care fees, donated services and donated space.

The expenses of the Corporation are:

1. Operating expenses
2. Research Foundation expenses from the Corporation
3. Rental expenses from the Corporation
4. General expenses of the Corporation
5. Administrative costs of the Corporation
6. Internal Revenue Service expenses of the Corporation
7. Other expenses of the Corporation

The Corporation has been determined by the Internal Revenue Service to be a section 501(c)(3) organization.

GSEU Child Development and Learning Center. The Corporation, as of September 30, 2000, has begun its operation on September 5, 2000. The Corporation is a non-profit organization, providing day care services for children of GSEU members and space permits for dependent children of registered, married GSEU members. The Corporation provides day care services for dependent children of members, married GSEU members.

GSEU Child Development and Learning Center, Inc. (the Corporation) was incorporated on

JUNE 30, 2010 AND 2009

NOTES TO FINANCIAL STATEMENTS

LEARNING CENTER, INC.
GSEU CHILD DEVELOPMENT AND
Supplemental events - Subsequent events have been evaluated through October 31, 2010, which is

Accounting for uncertainty in income taxes - Effective July 1, 2009, the Corporation completes financial statements when there are no material uncertainties or positions that require recognition or disclosure. Financial statements with the provision pertaining to uncertainty in positions (ASC 740), and has determined that

Functional allocation of expenses - The cost of providing the Corporation’s programs and services is allocated among the programs and supporting services benefited. Other activities have been summarized on a functional basis. Accrually, certain costs have been allocated among the programs and supporting services benefited. Recollection in the financial statements as revenue and an equal amount of expense.

In-kind contributions - In-kind contributions are recorded at their estimated fair values and are

Grants and contributions - Unconditional contributions, including promises to give cash and

imposed by donors.

Net assets - Unrestricted net assets include funds having no restriction as to use or purpose

Useful lives:

Fixed assets - Items with a cost of $500 or more and a useful life exceeding one year are

need to set up an allowance as of June 30, 2010 and 2009. Interest is not charged on outstanding receivables. Management has determined that there is no allowance for doubtful accounts when all reasonable collection actions have been exhausted. The allocates for doubtful accounts through provision for net accounts receivable. Accounts receivable are written off accounts receivable, after all collection efforts have been exhausted. Such estimates are based on management’s assessment of the age basis of the accounts receivable. Management determines whether an allowance for doubt accounts should be provided for accounts receivable. The Corporation records accounts receivable based on historical collection information. Management - The

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

JUNE 30, 2010 AND 2009
NOTES TO FINANCIAL STATEMENTS
LEARNING CENTER, INC.
GSC CHILD DEVELOPMENT AND
the Corporation during that time. The money was paid back in October 2009.
through May 31, 2009 and it was determined that there were overheads of $11,714 made to
and Family Services informed them later an audit was conducted for the period of June 1, 2000
In August 2009, the Corporation received a letter from the New York State Office of Children

NOTE 6 - GRANT OVERPAYMENT

2009, consists of 2,746 square feet valued at $545 per square foot for a total of $1,233,770 in 2010 and
Donated space from the City University of New York Graduate School and University Center

NOTE 5 - DONATED SPACE

Donated services from the Graduated Center consist of salary and related expenses of the
Director of GSCC Child Development and Learning Center, Inc.

NOTE 4 - DONATED SERVICES FROM GRADUATE CENTER

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$236</td>
<td></td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>$52,685</td>
<td>$52,685</td>
</tr>
<tr>
<td>Building</td>
<td>$59,102</td>
<td>$59,102</td>
</tr>
<tr>
<td>Furniture</td>
<td>$41,689</td>
<td>$41,689</td>
</tr>
<tr>
<td>5 - 10 Years</td>
<td>$12,913</td>
<td>$12,913</td>
</tr>
<tr>
<td>5 - 7.5 Years</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Estimated Life</td>
<td>2009</td>
<td>2010</td>
</tr>
</tbody>
</table>

Fixed assets consist of the following:

NOTE 3 - FIXED ASSETS

JUNE 30, 2010 AND 2009

NOTES TO FINANCIAL STATEMENTS

LEARNING CENTER, INC.

GSCC CHILD DEVELOPMENT AND