



SCHOLARSHIP AMERICA, INC.

Financial Statements and Supplemental Schedules

June 30, 2007 and 2006

(With Independent Auditors' Report Thereon)

SCHOLARSHIP AMERICA, INC.

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KPMG LLP
4200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

Independent Auditors' Report

The Board of Trustees
Scholarship America, Inc.
St. Peter, Minnesota:

We have audited the accompanying statements of financial position of Scholarship America, Inc. (Scholarship America) as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Scholarship America'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Scholarship America's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Scholarship America as of June 30, 2007 and 2006, and its changes in net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

Minneapolis, Minnesota
September 28, 2007

SCHOLARSHIP AMERICA, INC.

Statements of Financial Position

June 30, 2007 and 2006

Assets	<u>2007</u>	<u>2006</u>
Current assets:		
Cash and cash equivalents	\$ 31,338,725	23,953,307
Accounts, interest, and other receivables	3,011,270	2,688,590
Contributions receivable, net (note 3)	914,293	790,508
Prepaid expenses and other assets	<u>159,856</u>	<u>684,338</u>
Total current assets	<u>35,424,144</u>	<u>28,116,743</u>
Contributions receivable, less current portion, net (note 3)	<u>1,009,604</u>	<u>1,229,950</u>
Investments (note 4)	<u>154,327,452</u>	<u>143,240,376</u>
Cash value of life insurance	<u>269,551</u>	<u>252,335</u>
Property and equipment:		
Land	329,436	329,436
Building and improvements	4,524,543	4,524,543
Furniture and equipment	<u>3,190,862</u>	<u>3,066,645</u>
	8,044,841	7,920,624
Less accumulated depreciation	<u>4,712,043</u>	<u>4,382,149</u>
Property and equipment, net	<u>3,332,798</u>	<u>3,538,475</u>
Total assets	<u><u>\$ 194,363,549</u></u>	<u><u>176,377,879</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 624,030	420,616
Accrued expenses	182,553	502,202
Current portion of long-term debt (note 6)	82,020	88,249
Scholarships payable	20,113,674	15,475,832
Refundable deposits	<u>17,260,127</u>	<u>15,476,046</u>
Total current liabilities	38,262,404	31,962,945
Long-term debt (note 6)	<u>1,952,329</u>	<u>2,034,348</u>
Total liabilities	<u>40,214,733</u>	<u>33,997,293</u>
Commitments (note 7)		
Net assets:		
Unrestricted:		
Designated for endowment	1,259,954	445,257
Undesignated	<u>6,120,052</u>	<u>5,051,372</u>
Total unrestricted	7,380,006	5,496,629
Temporarily restricted (note 5)	129,307,273	120,070,123
Permanently restricted (note 5)	<u>17,461,537</u>	<u>16,813,834</u>
Total net assets	<u>154,148,816</u>	<u>142,380,586</u>
Total liabilities and net assets	<u><u>\$ 194,363,549</u></u>	<u><u>176,377,879</u></u>

See accompanying notes to financial statements.

SCHOLARSHIP AMERICA, INC.

Statements of Activities

Years ended June 30, 2007 and 2006

	2007	2006
Changes in unrestricted net assets:		
Total scholarships raised	\$ 145,342,295	146,018,878
Less scholarships designated by donors for specific beneficiaries	(58,821,722)	(58,415,206)
Scholarship revenue	86,520,573	87,603,672
Program management fees	8,535,306	8,629,445
Investment income (note 4)	1,696,793	1,155,577
Contributions	449,351	537,234
Other income	444,070	259,502
Dollars for Scholars®	402,199	358,127
ScholarShop®	12,380	30,134
Revenues and support	98,060,672	98,573,691
Net assets released from restrictions:		
Satisfaction of program restrictions	12,436,001	12,172,185
Total unrestricted revenues and support	110,496,673	110,745,876
Expenses:		
Program services:		
Total scholarship distributions	155,431,923	155,909,198
Less scholarships designated by donors for specific beneficiaries	(58,821,722)	(58,415,206)
Scholarship awards	96,610,201	97,493,992
Scholarship Management Services™	3,943,832	3,597,787
Dollars for Scholars®	2,121,552	2,736,457
ScholarShop®	199,372	63,278
Supporting services:		
General and administration	4,349,690	3,276,491
Fund-raising	1,388,649	1,255,555
Total expenses	108,613,296	108,423,560
Change in unrestricted net assets	1,883,377	2,322,316
Changes in temporarily restricted net assets:		
Contributions and project grants	7,055,115	10,108,076
Investment income (note 4)	14,618,036	905,674
Net assets released from restrictions:		
Satisfaction of program restrictions	(12,436,001)	(12,172,185)
Change in temporarily restricted net assets	9,237,150	(1,158,435)
Changes in permanently restricted net assets:		
Endowment contributions	647,703	204,798
Change in permanently restricted net assets	647,703	204,798
Increase in net assets	11,768,230	1,368,679
Net assets:		
Balance at beginning of year	142,380,586	141,011,907
Balance at end of year	\$ 154,148,816	142,380,586

See accompanying notes to financial statements.

SCHOLARSHIP AMERICA, INC.

Statements of Cash Flows

Years ended June 30, 2007 and 2006

	2007	2006
Cash flows from operating activities:		
Increase in net assets	\$ 11,768,230	1,368,679
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	329,894	320,836
Unrealized losses (gains) on investments	(9,710,024)	3,223,696
Realized gains on sale of investments	(1,556,751)	(396,809)
Scholarships distributed and designated by donors for specific beneficiaries	(58,821,722)	(58,415,206)
Scholarships raised and designated by donors for specific beneficiaries	58,821,722	58,415,206
Permanently restricted contributions	(647,703)	(204,798)
Changes in assets and liabilities:		
Accounts, interest, and other receivables	(322,680)	83,829
Contributions receivable	96,561	30,657
Prepaid expenses and other assets	524,482	(34,963)
Cash value of life insurance	(17,216)	(22,411)
Accounts payable	203,414	(242,370)
Scholarships payable	4,637,842	6,941,689
Accrued expenses	(319,649)	202,203
Refundable deposits	1,784,081	(4,516,001)
Net cash provided by operating activities	6,770,481	6,754,237
Cash flows from investing activities:		
Purchase of investments	(10,191,130)	(50,882,938)
Proceeds from sale of investments	10,370,829	50,221,755
Purchase of property and equipment	(124,217)	(80,989)
Net cash provided by (used in) investing activities	55,482	(742,172)
Cash flows from financing activities:		
Contributions received	647,703	204,798
Repayments of long-term debt	(88,248)	(1,591,559)
Net cash provided by (used in) financing activities	559,455	(1,386,761)
Increase in cash and cash equivalents	7,385,418	4,625,304
Cash and cash equivalents at beginning of year	23,953,307	19,328,003
Cash and cash equivalents at end of year	\$ 31,338,725	23,953,307
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 118,131	206,736

See accompanying notes to financial statements.

SCHOLARSHIP AMERICA, INC.

Notes to Financial Statements

June 30, 2007 and 2006

(1) Organization

Scholarship America, Inc. (Scholarship America) is a nonprofit corporation organized under the laws of the Commonwealth of Massachusetts to expand access to education opportunities by involving and assisting communities, corporations, foundations, organizations, and individuals in the support of students and in the encouragement of educational achievement. Until January 2003, the corporation was known as Citizens' Scholarship Foundation of America.

The financial statements include the Dollars for Scholars® regional offices that provide national support to Dollars for Scholars® chapters. The financial statements do not include assets, liabilities, revenues, or expenses of the individual Dollars for Scholars® chapters, because these chapters are treated as independent organizations.

In fiscal year 2002, the Families of Freedom Scholarship Fund (the Fund) was created to provide education assistance for postsecondary study to financially needy dependents of those killed or permanently disabled as a result of the terrorist attacks on September 11, 2001, and during the rescue activities related to those attacks. The Fund is intended for children and spouses of the victims, including airplane crew and passengers, World Trade Center and Pentagon workers and visitors, and rescue workers, including firefighters, emergency medical personnel, and law enforcement personnel. Assistance from the Fund must be used to defray costs of education at accredited colleges, universities, or vocational-technical schools based in the United States. Scholarship America may from time to time assess a charge to income of the Fund in an amount reasonably calculated to reimburse Scholarship America's direct and indirect costs incurred in the administration of the Fund.

In fiscal year 2003, Families of Freedom 2 was created to provide postsecondary education assistance to those working in the World Trade Center neighborhood who lost their jobs or businesses as a result of the attack.

(2) Summary of Significant Accounting Policies

The accounting policies of Scholarship America conform to U.S. generally accepted accounting principles. The significant accounting policies followed by Scholarship America are set forth below.

(a) *Basis of Presentation*

The financial statements of Scholarship America have been prepared on the accrual basis of accounting.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Scholarship America, and changes therein, are classified and reported as follows:

Unrestricted Net Assets

This classification contains net assets that are not subject to donor-imposed stipulations.

SCHOLARSHIP AMERICA, INC.

Notes to Financial Statements

June 30, 2007 and 2006

Temporarily Restricted Net Assets

This classification includes net assets that have been restricted by donors for specific purposes or are not available for use until a specific time. These consist primarily of contributions, project grants, and investment income.

Permanently Restricted Net Assets

This classification includes net assets that have been restricted by donors who stipulate the resources be maintained permanently by Scholarship America.

(b) Accounting for Scholarships

Scholarship America follows the guidance of Statement of Financial Accounting Standards (SFAS) No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*, for its scholarship programs. Under SFAS No. 136, scholarship programs where the beneficiary has been specified by the donor or the determination of the beneficiary is under the control of another third party are treated as agency transactions and are not reported as scholarship revenues or scholarship distribution expenses in the statements of activities unless Scholarship America has variance power with respect to the determination of the beneficiary. Variance power is the unilateral ability to redirect the use of the transferred assets to another beneficiary.

(c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in bank accounts and temporary investments with original maturities of less than three months when purchased.

(d) Investments

Investments are reported at fair value based on quoted market prices or net asset values for mutual funds at the report date with certificate of deposits reported at cost, which approximates fair value.

(e) Property and Equipment

Expenditures for the acquisition of property and equipment are capitalized at cost. Donated property and equipment is capitalized at fair value on the date of receipt. Depreciation is provided using the straight-line method over estimated useful lives as follows:

	<u>Years</u>
Building and improvements	35
Furniture and equipment	3-12

(f) Contributed Services

A number of volunteers have made significant donations of their time to program and support functions. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected in the accompanying financial statements.

SCHOLARSHIP AMERICA, INC.

Notes to Financial Statements

June 30, 2007 and 2006

(g) Contributions

Contributions, which include unconditional promises to give, are recognized as revenues in the period received. All contributions are available for unrestricted use unless specifically restricted by the donor.

Promises to give are recorded as contributions receivable using a discount rate of 5%. Additionally, an allowance for uncollectible contributions is provided based on management's judgment, including factors such as prior collection history and nature of fundraising activity.

Contributions with donor-imposed restrictions, such as time or purpose restrictions, are recorded as temporarily restricted net assets. When a donor-imposed time restriction expires, or a donor-imposed purpose restriction is fulfilled, the temporarily restricted net assets are reclassified to unrestricted net assets. This reclassification is reported as net assets released from restriction on the statements of activities.

Contributions of land, buildings, and equipment are recorded as unrestricted net assets unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Scholarship America reports expiration of donor restrictions when the donated or acquired long-lived assets are placed in service.

(h) Scholarships Payable and Refundable Deposits

Scholarships payable represent awards that have been made that Scholarship America has not yet distributed to the beneficiaries. Refundable deposits represent amounts held by Scholarship America for scholarship programs that, under terms of the program agreement, are refundable or revocable at the discretion of the resource provider. Refundable deposits also include amounts held by Scholarship America in connection with agreements that have stipulations that the assets be passed on to specific beneficiaries.

(i) Program Management Fees

Program management fees are recognized as revenue as the fees are earned. Approximately two-thirds of the program management fees are recognized as the program is developed and applications are processed, with the remaining one-third being recognized after final scholarship distributions have been made.

(j) Grants

Restricted grants are recognized as revenue and support only to the extent that expenses have been incurred during the period for the purpose specified.

(k) Functional Expenses

Scholarship America's financial statements segregate expenses by function, including general, administration, and fund-raising. Expenses are charged directly to specific functions when

SCHOLARSHIP AMERICA, INC.

Notes to Financial Statements

June 30, 2007 and 2006

practicable. Expenses not identified as relating to specific functions are allocated primarily based on direct salary costs.

(l) *Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(m) *Income Tax Status*

Scholarship America is a nonprofit organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3), is a publicly supported organization under Internal Revenue Code Section 170(b)(1)(A)(vi), and not a private foundation as defined in Section 509(a) of the Internal Revenue Code.

(n) *Retirement Plan*

Scholarship America has a 403(b) annuity retirement plan that covers substantially all employees. Employee participation is optional. Scholarship America contributes an amount equal to 4% of the employee's annual salary, which resulted in Scholarship America's contributions to the plan totaling \$203,315 and \$195,352 for the years ended June 30, 2007 and 2006, respectively.

(o) *Fair Value of Financial Instruments*

The carrying amounts of cash and cash equivalents; accounts, interest, and other receivables; accounts payable and accrued expenses; scholarships payable; and refundable deposits approximate fair value because of the short maturity of these financial instruments. The fair value of cash surrender values of insurance policies is based upon market information provided from the respective insurance companies. Contributions receivable are recorded at fair value, using an appropriate discount rate. Investments are carried at fair value, as indicated in note 2(d).

(p) *Reclassifications*

Certain 2006 amounts have been reclassified to conform to the 2007 presentation.

SCHOLARSHIP AMERICA, INC.

Notes to Financial Statements

June 30, 2007 and 2006

(3) Contributions Receivable

Contributions are to be collected during the following periods at June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Less than one year	\$ 962,413	790,508
One to five years	672,818	956,064
Greater than five years	<u>750,000</u>	<u>800,000</u>
	2,385,231	2,546,572
Less:		
Discounts for the time value of money	360,076	419,774
Allowance for uncollectible contributions	<u>101,258</u>	<u>106,340</u>
	<u>\$ 1,923,897</u>	<u>2,020,458</u>

(4) Investments and Investment Income

Investments consisted of the following at June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
U.S. government obligations	\$ 13,411,613	12,966,675
Equity mutual funds	53,415,056	47,460,107
Bond mutual funds, bonds, and commercial paper	78,198,441	74,820,202
Money market and certificates of deposit	<u>9,302,342</u>	<u>7,993,392</u>
	<u>\$ 154,327,452</u>	<u>143,240,376</u>

Investment income is recorded in the statements of activities and is comprised of the following for the years ended June 30, 2007 and 2006:

	<u>Interest and dividends</u>	<u>Unrealized gain (loss)</u>	<u>Realized gain (loss)</u>	<u>Total</u>
2007:				
Unrestricted	\$ 1,639,282	(143,944)	201,455	1,696,793
Temporarily restricted	3,408,772	9,853,968	1,355,296	14,618,036
2006:				
Unrestricted	\$ 1,109,668	46,263	(354)	1,155,577
Temporarily restricted	3,778,470	(3,269,959)	397,163	905,674

SCHOLARSHIP AMERICA, INC.

Notes to Financial Statements

June 30, 2007 and 2006

(5) Net Assets

Temporarily restricted net assets are available at June 30, 2007 and 2006 for the following purposes:

	<u>2007</u>	<u>2006</u>
Scholarships	\$ 126,830,694	117,437,059
Regions	896,911	961,853
Other projects	<u>1,579,668</u>	<u>1,671,211</u>
Total	<u>\$ 129,307,273</u>	<u>120,070,123</u>

Permanently restricted net asset balances at June 30, 2007 and 2006 and the purposes for which the income can be used are as follows:

	<u>2007</u>	<u>2006</u>
Scholarships	\$ 15,783,807	15,136,104
Regions	<u>1,677,730</u>	<u>1,677,730</u>
Total	<u>\$ 17,461,537</u>	<u>16,813,834</u>

SCHOLARSHIP AMERICA, INC.

Notes to Financial Statements

June 30, 2007 and 2006

(6) Long-term Debt

A summary of long-term debt as of June 30, 2007 and 2006 is as follows:

	2007	2006
Note payable to The First National Bank of St. Peter with interest at 5.75%, payable in semi-annual installments of \$90,000 through September 2025. Such payments are secured by a mortgage and security interest granted to the creditor by Scholarship America.	\$ 2,007,548	2,069,412
Note payable to the City of St. Peter with interest at 3%, payable in monthly installments of \$1,448 through January 2009. Such payments are secured by a mortgage and security interest granted to the creditor by Scholarship America.	26,801	43,112
Note payable to the City of St. Peter with interest at 3%, payable in monthly installments of \$1,453 through January 2007. Such payments are secured by a mortgage and security interest granted to the creditor by Scholarship America.	—	10,073
	2,034,349	2,122,597
Less current maturities	(82,020)	(88,249)
	\$ 1,952,329	2,034,348

Aggregate annual maturities of long-term debt are as follows:

2008	\$	82,020
2009		79,529
2010		73,332
2011		77,610
2012		81,915
Thereafter		1,639,943
	\$	2,034,349

SCHOLARSHIP AMERICA, INC.

Notes to Financial Statements

June 30, 2007 and 2006

(7) Leases

Rental expense for office space was \$258,189 and \$235,247 for the years ended June 30, 2007 and 2006, respectively. Lease agreements having an original term of more than one year expire on various dates through fiscal 2010. Minimum annual payments under terms of these operating leases are as follows:

Year ending June 30:		
2008	\$	238,099
2009		112,590
2010		19,032

(8) Supporting Services Expense Ratios

Scholarship America's supporting services expense ratios as a percentage of unrestricted revenues and support, excluding scholarships designated by donors for specific beneficiaries, for the years ended June 30, 2007 and 2006 are as follows:

	2007		2006	
General and administration	\$ 4,349,690	3.94%	\$ 3,276,491	2.96%
Fund-raising	1,388,649	1.26%	1,255,555	1.13%
Total	\$ 5,738,339	5.20%	\$ 4,532,046	4.09%
Unrestricted revenues and support, excluding scholarships designated by donors for specific beneficiaries	\$ 110,496,673		\$ 110,745,876	

Fund-raising costs also include costs related to the generation of scholarships raised and designated by donors for specific beneficiaries.

SCHOLARSHIP AMERICA, INC.
 Families of Freedom Scholarship Fund
 Schedule of Financial Position
 June 30, 2007

Assets

Current assets:		
Cash and cash equivalents	\$	827,426
Contributions receivable, net		<u>400,000</u>
Total current assets		1,227,426
Contributions receivable, less current portion, net		1,073,003
Investments		<u>109,807,687</u>
Total assets	\$	<u><u>112,108,116</u></u>

Liabilities and Net Assets

Refundable deposits	\$	5,599,385
Net assets:		
Temporarily restricted		<u>106,508,731</u>
Total liabilities and net assets	\$	<u><u>112,108,116</u></u>

See accompanying independent auditors' report.

SCHOLARSHIP AMERICA, INC.

Families of Freedom Scholarship Fund

Schedule of Activities

Year ended June 30, 2007

Changes in unrestricted net assets:	
Net assets released from restrictions:	
Satisfaction of program restrictions	\$ <u>6,465,546</u>
Total unrestricted revenues and support	<u>6,465,546</u>
Expenses:	
Program services:	
Scholarship awards	6,235,091
Scholarship Management Services™	126,602
Supporting services:	
General and administration	49,286
Fund-raising	<u>54,567</u>
Total expenses	<u>6,465,546</u>
Change in unrestricted net assets	<u>—</u>
Changes in temporarily restricted net assets:	
Contributions for scholarships	2,143,299
Investment income	11,042,866
Net assets released from restrictions:	
Satisfaction of program restrictions	<u>(6,465,546)</u>
Change in temporarily restricted net assets	<u>6,720,619</u>
Change in net assets	6,720,619
Net assets:	
Balance at beginning of year	<u>99,788,112</u>
Balance at end of year	<u>\$ <u>106,508,731</u></u>

See accompanying independent auditors' report.

SCHOLARSHIP AMERICA, INC.

Schedule of Functional Expenses

Year ended June 30, 2007

	Program Services				Supporting Services		Total
	Scholarship awards	Scholarship Management Services™	Dollars for Scholars®	ScholarShop®	General and administrative	Fund-raising	
Scholarship awards	\$ 96,610,201	—	—	—	—	—	96,610,201
Personnel	—	2,795,002	1,281,712	57,237	1,550,907	968,863	6,653,721
Meetings and travel	—	89,050	191,878	15,992	292,064	120,450	709,434
Telephone	—	35,275	33,789	415	26,636	20,757	116,872
Printing	—	134,556	65,306	1,437	28,114	16,308	245,721
Professional services	—	131,147	89,559	95,491	1,860,946	84,572	2,261,715
Publications and promotions	—	5,958	186,397	2,427	17,663	27,521	239,966
Cost of sales	—	—	31,066	—	—	—	31,066
Postage	—	193,901	33,853	8,294	13,181	11,403	260,632
Occupancy	—	135,101	92,611	1,565	124,052	81,778	435,107
Insurance	—	42,474	21,615	676	17,738	4,149	86,652
Supplies and equipment	—	112,271	39,578	3,316	225,101	5,396	385,662
Dues and subscriptions	—	2,591	2,236	650	21,351	21,043	47,871
Depreciation	—	171,989	27,477	10,615	101,073	18,740	329,894
Miscellaneous	—	94,517	24,475	1,257	70,864	7,669	198,782
Total expenses	\$ <u>96,610,201</u>	<u>3,943,832</u>	<u>2,121,552</u>	<u>199,372</u>	<u>4,349,690</u>	<u>1,388,649</u>	<u>108,613,296</u>

See accompanying independent auditors' report.

SCHOLARSHIP AMERICA, INC.

Dollars for Scholars® Chartered Regions Financial Report

Year ended June 30, 2007

	<u>New England</u>	<u>Iowa</u>	<u>New York</u>	<u>Northwest</u>	<u>Nebraska</u>	<u>California</u>	<u>North Dakota</u>	<u>Minnesota</u>	<u>Indiana</u>	<u>Illinois</u>	<u>Total</u>
Revenues:											
Grants and contributions	\$ 90,212	133,558	7,564	35,525	—	140,209	—	100	372,061	231,941	1,011,170
Dues	47,680	26,400	22,485	23,820	—	11,790	—	22,923	14,280	11,535	180,913
Interest and gains	216,351	10,478	1,898	3,461	—	6,343	—	—	21,904	9,537	269,972
Total revenues	<u>354,243</u>	<u>170,436</u>	<u>31,947</u>	<u>62,806</u>	<u>—</u>	<u>158,342</u>	<u>—</u>	<u>23,023</u>	<u>408,245</u>	<u>253,013</u>	<u>1,462,055</u>
Expenses:											
Staff	149,578	85,340	98,950	162,057	—	189,463	—	—	162,572	77,603	925,563
Travel	14,724	4,081	6,963	5,424	—	5,225	—	—	8,041	22,546	67,004
Program	40,174	54,922	11,231	22,272	874	32,010	688	—	113,122	186,710	462,003
Office	25,214	24,288	10,337	23,515	—	26,355	—	(4,554)	1,778	8,738	115,671
Total expenses	<u>229,690</u>	<u>168,631</u>	<u>127,481</u>	<u>213,268</u>	<u>874</u>	<u>253,053</u>	<u>688</u>	<u>(4,554)</u>	<u>285,513</u>	<u>295,597</u>	<u>1,570,241</u>
Excess (deficit)	124,553	1,805	(95,534)	(150,462)	(874)	(94,711)	(688)	27,577	122,732	(42,584)	(108,186)
Net assets at beginning of year	<u>1,556,010</u>	<u>209,015</u>	<u>92,422</u>	<u>168,491</u>	<u>874</u>	<u>173,348</u>	<u>688</u>	<u>(25,958)</u>	<u>507,250</u>	<u>182,420</u>	<u>2,864,560</u>
Net assets at end of year	\$ <u>1,680,563</u>	<u>210,820</u>	<u>(3,112)</u>	<u>18,029</u>	<u>—</u>	<u>78,637</u>	<u>—</u>	<u>1,619</u>	<u>629,982</u>	<u>139,836</u>	<u>2,756,374</u>

See accompanying independent auditors' report.