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Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2009 calendar year, or tax year beginning January 1, 2009, and ending December 31, 20 09

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization Per Scholas, Inc.
 Doing Business As _____
 Number and street (or P O box if mail is not delivered to street address) Room/suite
804 E 138th ST FL 2
 City or town, state or country, and ZIP + 4
Bronx, NY 10454-1902

D Employer identification number
04 : 3252955

E Telephone number
 (718) 991-8400

G Gross receipts \$ 5,453,637

F Name and address of principal officer
Plinio Ayala, c/o 804E 138 Street, Bronx, NY 10454

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)

I Tax-exempt status 501(c) (3) ◀ (insert no) 4947(a)(1) or 527

J Website: ▶ www.perscholas.org

K Form of organization Corporation Trust Association Other ▶

L Year of formation 1994 **M State of legal domicile** MA

H(c) Group exemption number ▶

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities. <u>Per Scholas is an environmentally responsible nonprofit organization committed to breaking the cycle of poverty by providing education, technology and economic opportunities to individuals, families and communities. We make computer technology available and provide training for people to become skilled computer technicians.</u>	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3	Number of voting members of the governing body (Part VI, line 1a)	3 19
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 19
	5	Total number of employees (Part V, line 2a)	5 68
	6	Total number of volunteers (estimate if necessary)	6
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year: 3,078,781 Current Year: 3,946,225
	9	Program service revenue (Part VIII, line 2g)	
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,627,112 1,033,801
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,705,893 4,980,026
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	
	14	Benefits paid to or for members (Part IX, column (A), line 4)	
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	2,962,801 3,194,572
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	14,200 50,000
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>822,103</u>	
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	2,151,287 1,509,784
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	5,128,288 4,754,356	
19	Revenue less expenses. Subtract line 18 from line 12	(422,395) 225,670	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year: 4,087,231 End of Year: 5,892,272
	21	Total liabilities (Part X, line 26)	2,641,097 4,220,468
	22	Net assets or fund balances Subtract line 21 from line 20	1,446,134 1,671,804

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here
 Signature of officer: Dino Lianos Date: OCT 13 2010
 Type or print name and title: Dino Lianos, C.F.O.

Paid Preparer's Use Only
 Preparer's signature: _____ Date: _____
 Check if self-employed Preparer's identifying number (see instructions): _____
 Firm's name (or yours if self-employed), address, and ZIP + 4: _____ EIN: _____ Phone no: () _____

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

SCANNED NOV 10 2010

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Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
Per Scholas is an environmentally responsible nonprofit organization committed to breaking the cycle of poverty by providing education, technology and economic opportunities to individuals, families and communities. We make computer technology available and provide training for people to become skilled computer technicians.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code:) (Expenses \$ **1,749,690** including grants of \$ **1,293,000**) (Revenue \$ **1,752,098**)

Vocational Training (New York and Florida)

Per Scholas' Computer Technician Training Program provides industry specific vocational training, life skills and support services to youth and community residents within New York City and Miami, FL. Per Scholas' 15 weeks of tuition free, comprehensive hands-on training enables unemployed and under-employed youth and adults to become A+ Certified Technicians and begin profitable careers in the field of Information Technology. Our Training Program both educates students in the hard skills (IT knowledge and industry specific training), as well as the soft skills (life skills, interviewing instruction etc.)

4b (Code:) (Expenses \$ **1,075,633** including grants of \$ **469,115**) (Revenue \$ **1,405,710**)

Computer Distribution is performed through three programs: Community Access, Comp2Kids, and Comp2Seniors. The Community Access program offers underserved community residents the opportunity to purchase a low cost refurbished computer for use in their personal residence or within a community center. Comp2Kids works to bridge the digital divide in many of New York's low-income middle schools, providing each family and teacher with technology training, a free home computer, and free, lifetime customer service support. Comp2Seniors empowers older adults through education and technology. The program provides older adults in partner senior centers with age-appropriate training, a home desktop computer, and ongoing helpdesk support. Seniors who complete the training sessions feel more confident sending emails to connect with friends and family and attaining health information online from the comfort of their home.

4c (Code:) (Expenses \$ **901,066** including grants of \$ **0**) (Revenue \$ **603,003**)

Computer Reconditioning and Recycling

Per Scholas' computer reconditioning and recycling business is the source for used computers for our distribution programs and provides financial support for our training program. Operating as a nonprofit social venture, we collect used equipment donated by corporations, government and individuals, properly recycling the truly end-of-life equipment and reconditioning that with continued usefulness. Our activity creates valuable jobs in the Bronx while diverting thousands of tons of electronic waste from landfill disposal.

4d Other program services. (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ **3,726,389**

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	Is the organization required to complete Schedule B, Schedule of Contributors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input type="checkbox"/>
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<ul style="list-style-type: none"> • Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> • Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> • Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> • Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> • Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> • Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X</i> 	<input type="checkbox"/>	<input type="checkbox"/>
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14a	Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		✓
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>		✓
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	✓	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i>		✓
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		✓
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		✓
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		✓
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i>	✓	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III.</i>		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions).		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		✓
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		✓
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>		✓
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>		✓
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.</i>		✓
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		✓
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.		✓

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	1a 35		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
	1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a 99		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	✓	
	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		✓
	3a		
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		✓
	4a		
b	If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
	4b		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		✓
	5a		
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		✓
	5b		
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		✓
	6a		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	6b		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		✓
	7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		✓
	7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		✓
	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		✓
	7f		
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		✓
	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		✓
	7h		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		✓
	8		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		✓
	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		✓
	9b		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		<input checked="" type="checkbox"/>
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		<input checked="" type="checkbox"/>
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		<input checked="" type="checkbox"/>
5	Did the organization become aware during the year of a material diversion of the organization's assets?		<input checked="" type="checkbox"/>
6	Does the organization have members or stockholders?		<input checked="" type="checkbox"/>
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		<input checked="" type="checkbox"/>
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		<input checked="" type="checkbox"/>
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	a The governing body?	<input checked="" type="checkbox"/>	
8b	b Each committee with authority to act on behalf of the governing body?		<input checked="" type="checkbox"/>
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		<input checked="" type="checkbox"/>

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a		<input checked="" type="checkbox"/>
10b		
11	<input checked="" type="checkbox"/>	
11A		
12a	<input checked="" type="checkbox"/>	
12b		<input checked="" type="checkbox"/>
12c	<input checked="" type="checkbox"/>	
13	<input checked="" type="checkbox"/>	
14	<input checked="" type="checkbox"/>	
15		
15a		<input checked="" type="checkbox"/>
15b		<input checked="" type="checkbox"/>
16a		<input checked="" type="checkbox"/>
16b		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► New York State
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization. ► Dino Lianos, 804 E 138TH ST FL 2, BRONX, NY 10454-1902

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order. individual trustees or directors; institutional trustees; officers; key employees, highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Lewis E. Miller Chairman of the Board	5	✓					0	0	0	
John Hoyt Stookey Board Director and Founder	5	✓					0	0	0	
Plinio Ayala President and CEO	40	✓		✓	✓	✓	156,213	0	0	
F. Donald Brigham Board Director	2	✓					0	0	0	
Carolyn P. Landis Board Director and Former President	2	✓					0	0	0	
Diane Lenz Shanley Board Director	2	✓					0	0	0	
Ami Ariel Board Director	2	✓					0	0	0	
Manuel Barbero Board Director	2	✓					0	0	0	
Kyle Bolden Board Director	2	✓					0	0	0	
Philip Mindlin Board Director	2	✓					0	0	0	
Marisa Ricciardi Board Director	2	✓					0	0	0	
Robert Carmona Board Director	2	✓					0	0	0	
Gregory W. Sills Board Director	2	✓					0	0	0	
Joshua Jarrett Board Director	2	✓					0	0	0	
Jean Tatge Board Director	2	✓					0	0	0	
Sara Lander Board Director	2	✓					0	0	0	

Part VIII Statement of Revenue				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	467,615				
	d Related organizations	1d					
	e Government grants (contributions).	1e	497,259				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	2,981,351				
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f			3,946,225			
Program Service Revenue			Business Code				
	2a						
	b						
	c						
	d						
	e						
	f All other program service revenue						
g Total. Add lines 2a-2f							
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)						
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
		(i) Real	(ii) Personal				
	6a Gross Rents						
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)						
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory						
	b Less cost or other basis and sales expenses						
	c Gain or (loss)						
	d Net gain or (loss)						
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a					
	b Less: direct expenses	b					
c Net income or (loss) from fundraising events							
9a Gross income from gaming activities. See Part IV, line 19	a						
b Less: direct expenses	b						
c Net income or (loss) from gaming activities							
10a Gross sales of inventory, less returns and allowances	a	1,501,437					
b Less: cost of goods sold	b	473,611					
c Net income or (loss) from sales of inventory			1,027,826	1,027,826			
Miscellaneous Revenue		Business Code					
11a Miscellaneous income			5,975		5,975		
b							
c							
d All other revenue							
e Total. Add lines 11a-11d			5,975				
12 Total revenue. See instructions.			4,980,026	1,027,826	5,975		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	273,991	2045	88086	183859
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	2,339,720	1836758	40059	462902
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	348,699	327927	1332	19440
9	Other employee benefits				
10	Payroll taxes	232,162	182532	6029	43601
11	Fees for services (non-employees):				
a	Management				
b	Legal	471	94	377	
c	Accounting	25,000	19000	3750	2250
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17	50,000			50000
f	Investment management fees				
g	Other	139,702	117280	6899	15523
12	Advertising and promotion	68,992	68992		
13	Office expenses	47,945	43151	2397	2397
14	Information technology	979	930	49	
15	Royalties	15,118	3024	12094	
16	Occupancy	388,344	357276	11650	19417
17	Travel	55,002	48402		6600
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	13,339	13339		
20	Interest	151,809	151809		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	124,652	122159		2493
23	Insurance	73,294	68163	3665	1466
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a	Building Operating	50,468	47440	1514	1514
b	Operating Leases	19,874	18682	596	596
c	Telephone	75,379	70856	2261	2261
d	Transportation	111,853	102905	5593	3356
e	Credit card sales fees and NYS Sales Tax	48,735	44836	2437	1462
f	All other expenses Miscellaneous	98,828	78788	17075	2965
25	Total functional expenses. Add lines 1 through 24f	4,754,356	3,726,389	205,864	822,103
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	548,391	1	289,906
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	778,029	4	987,327
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	13,950	8	31,148
	9 Prepaid expenses and deferred charges	26,461	9	15,700
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2,685,095		
	b Less: accumulated depreciation	10b 212,181	2,541,762	10c 2,472,914
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11	23,903	12	10,714
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	154,734	15	2,084,563
16 Total assets. Add lines 1 through 15 (must equal line 34)	4,087,231	16	5,892,272	
Liabilities	17 Accounts payable and accrued expenses	525,477	17	794,172
	18 Grants payable		18	
	19 Deferred revenue		19	277,362
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	19,336	22	19,336
	23 Secured mortgages and notes payable to unrelated third parties	2,096,284	23	3,129,598
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	2,641,097	26	4,220,468
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	974,134	27	972,477
	28 Temporarily restricted net assets	472,000	28	699,327
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	1,446,134	33	1,671,804	
34 Total liabilities and net assets/fund balances	4,087,231	34	5,892,272	

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

Separate basis Consolidated basis Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a	✓	
2b	✓	
2c	✓	
3a		✓
3b		

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	2,117,716	2,412,530	3,128,917	2,495,284	3,448,966	13,603,413
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	2,117,716	2,412,530	3,128,917	2,495,284	3,448,966	13,603,413
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						13,603,413

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	2,117,716	2,412,530	3,128,917	2,495,284	3,448,966	13,603,413
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	-1,383	-1,265	14,688	-984	-13,189	-2,133
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	5,040	44,364	91,420	51,664	5,975	198,463
11 Total support. Add lines 7 through 10						13,799,743
12 Gross receipts from related activities, etc (see instructions)					12	9,915,450
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	99 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	98 %
16a 33 1/3 % support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input checked="" type="checkbox"/>		
b 33 1/3 % support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	2,117,716	2,412,530	3,128,917	2,495,284	3,448,966	13,603,413
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513	2,028,597	2,366,415	1,881,008	2,114,345	1,525,085	9,915,450
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	4,146,313	4,778,945	5,009,925	4,609,629	4,974,051	23,518,863
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						23,518,863

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	4,146,313	4,778,945	5,009,925	4,609,629	4,974,051	23,518,863
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	-1,383	-1,265	14,688	-984	-13,189	-2,133
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	-1,383	-1,265	14,688	-984	-13,189	-2,133
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	5,040	44,364	91,420	51,664	5,975	198,463
13 Total support. (Add lines 9, 10c, 11, and 12)	4,149,970	4,822,044	5,116,033	4,660,309	4,966,837	23,715,193

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	99 %
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	99 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	0 %
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	0 %

19a 33 1/3 % support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

b 33 1/3 % support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

Employer ID 04-3252955

Per Scholas received electronic equipment donations; some computers refurbished and others recycled. A portion of the refurbished computers resold at an affordable price to the community, and many donated to kids, senior citizens, and to create computer labs at various senior centers.

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

2009

Open to Public Inspection

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

Department of the Treasury
Internal Revenue Service

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B.
- Section 527 organizations. Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)). Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of organization Per Scholas, Inc.	Employer identification number 04 3252955
--	---

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2 Political expenditures ▶ \$ _____
- 3 Volunteer hours ▶ _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . ▶ \$ _____ **0**
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . . ▶ \$ _____ **0**
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group.
B Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		✓	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		✓	
c Media advertisements?		✓	
d Mailings to members, legislators, or the public?		✓	
e Publications, or published or broadcast statements?		✓	
f Grants to other organizations for lobbying purposes?		✓	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		✓	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		✓	
i Other activities? If "Yes," describe in Part IV	✓		50,000
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		✓	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1. Also, complete this part for any additional information.

Part II-B, line 1, i :

An independent organization is hired to lobby and establish the right conducts needed to assist and support Per Scholas' mission.

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

Per Scholas, Inc.

Employer identification number

04 3252955

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No
- 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
- Preservation of land for public use (e g , recreation or pleasure) Preservation of an historically important land area
- Protection of natural habitat Preservation of a certified historic structure
- Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶
- 4 Number of states where property subject to conservation easement is located ▶
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No
- 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No
- 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$
- (ii) Assets included in Form 990, Part X ▶ \$
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items.
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$
- b Assets included in Form 990, Part X ▶ \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b** If "Yes," explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|---|--------|
| 1c Beginning balance | |
| 1d Additions during the year | |
| 1e Distributions during the year | |
| 1f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b** If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2** Provide the estimated percentage of the year end balance held as:
- a** Board designated or quasi-endowment ▶%
 - b** Permanent endowment ▶ %
 - c** Term endowment ▶ %
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|---------------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4** Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings	2,685,095		212,181	2,472,914
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				2,472,914

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Securities	10,714	10,714
.....		
.....		
.....		
.....		
.....		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ▶	10,714	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) must equal Form 990, Part X, col (B) line 13) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Equipment & Computer Software	168,166
Furniture & Fixtures	272,224
Leashold Improvements	1,644,172
Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ▶	2,084,561

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	4,980,026
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	4,754,356
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	225,670
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	225,670

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	4,974,051
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
	a Net unrealized gains on investments	2a	
	b Donated services and use of facilities	2b	
	c Recoveries of prior year grants	2c	
	d Other (Describe in Part XIV.)	2d	
	e Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
	b Other (Describe in Part XIV.)	4b	5,975
	c Add lines 4a and 4b	4c	5,975
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	4,980,026

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	4,741,167
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
	a Donated services and use of facilities	2a	
	b Prior year adjustments	2b	
	c Other losses	2c	
	d Other (Describe in Part XIV.)	2d	
	e Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	4,741,167
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
	b Other (Describe in Part XIV.)	4b	13,189
	c Add lines 4a and 4b	4c	13,189
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	4,754,356

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XII, line 4b:

Miscellaneous income of \$5,975 included on Form 990, Part VIII, column (A), line 12, and is listed as a nonoperating activity in audited financial statements.

Part XIII, line 4b:

Unrealized losses on investments of \$13,189 listed as a nonoperating activity in audited financial statements.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		Gala (event type)	(event type)	(total number)	(add col (a) through col (c))
Revenue	1 Gross receipts	467,615			467,615
	2 Less: Charitable contributions				
	3 Gross income (line 1 minus line 2)	467,615			467,615
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	73,308			73,308
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(73,308)
11 Net income summary. Combine line 3, column (d), and line 10 ▶				394,307	

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				()
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

	Yes	No
9 Enter the state(s) in which the organization operates gaming activities: _____		
a Is the organization licensed to operate gaming activities in each of these states?	9a	
b If "No," explain: _____ _____		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? b If "Yes," explain: _____ _____	10a	
11 Does the organization operate gaming activities with nonmembers?	11	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

			Yes	No
13	Indicate the percentage of gaming activity operated in:			
a	The organization's facility	13a	%	
b	An outside facility	13b	%	
14	Enter the name and address of the person who prepares the organization's gaming/special events books and records:			
	Name ▶			
	Address ▶			
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	15a		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ and the amount of gaming revenue retained by the third party ▶ \$			
c	If "Yes," enter name and address of the third party.			
	Name ▶			
	Address ▶			
16	Gaming manager information:			
	Name ▶			
	Gaming manager compensation ▶ \$			
	Description of services provided ▶			
	<input type="checkbox"/> Director/officer <input type="checkbox"/> Employee <input type="checkbox"/> Independent contractor			
17	Mandatory distributions.			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	17a		
b	Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$			

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest

Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990,

Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

Per Scholas, Inc

Employer identification number

04 : 3252955

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4a 4b 4c	✓ ✓ ✓
Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization? b Any related organization? If "Yes" to line 5a or 5b, describe in Part III.	5a 5b	✓ ✓
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization? b Any related organization? If "Yes" to line 6a or 6b, describe in Part III.	6a 6b	✓ ✓
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	✓
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	✓
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Plinio Ayala	(i)	156,213		4,686.42		160,899	156,213
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
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	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Area with horizontal dashed lines for supplemental information.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered
"Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open To Public Inspection

Name of the organization

Per Scholas, Inc.

Employer identification number

04 : 3252955

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

- 2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
	John Hoyt Stookey Bridge Loan	✓				70,000	19,336		✓	✓
Total ▶ \$ _____										

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.

▶ Attach to Form 990.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

Per Scholas, Inc.

Employer identification number

04 : 3252955

Form 990, Part VI, Section A. Governing Body and Management, line 8b.

Per Scholas documents all the meetings held or written actions undertaken during the year by the governing body.

Form 990, Part VI, Section B. Policies, line 11A.

A copy of the Form 990 is distributed to each director for review and approval.

Form 990, Part VI, Section B. Policies, line 12c.

The organization has a conflict of interest policy that is distributed regularly to the employees and related parties.

Form 990, Part VI, Section C. Disclosure, line 19.

**The organizations' governing documents, conflict of interest policy and financial statements are available to the public
upon request via mail, fax, and e-mail.**

Per Scholas, Inc.

Financial Statements and Supplemental Material Year Ended December 31, 2009

The report accompanying these financial statements was issued by BDO USA LLP, a New York limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee

Per Scholas, Inc.

Financial Statements and Supplemental Material Year Ended December 31, 2009

Per Scholas, Inc.

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100 Park Avenue
New York, NY 10017

Independent Auditors' Report

Board of Directors
Per Scholas, Inc.
Bronx, New York

We have audited the accompanying statement of financial position of Per Scholas, Inc. as of December 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 the Organization'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 audit provides 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 Per Scholas, Inc. at December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Information for the year ended December 31, 2008 is presented for comparative purposes only and was extracted from the financial statements of Per Scholas, Inc. for that year, on which we expressed an unqualified opinion, dated September 29, 2009.

BDO USA, LLP

July 9, 2010

Per Scholas, Inc.

Statement of Financial Position (with comparative totals for 2008)

<i>December 31,</i>	2009	2008
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 289,906	\$ 548,391
Investments at fair value (Notes 2 and 3)	10,714	23,903
Accounts receivable, net (Note 4)	438,000	430,995
Contributions and grants receivable (Notes 2 and 5)	549,327	347,034
Inventory (Notes 2 and 6)	31,148	13,950
Prepaid and other assets	15,700	26,461
Total current assets	1,334,795	1,390,734
Fixed assets, net (Notes 2 and 7)	4,557,477	2,576,497
Assets held for sale (Note 13)	-	120,000
	\$5,892,272	\$4,087,231
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 742,618	\$ 454,111
Accrued payroll and related expenses	51,554	71,366
Deferred revenue (Note 2)	202,720	-
Deferred rent (Note 2)	74,642	-
Current portion of notes payable and lines of credit (Note 8)	628,610	80,000
Current portion of mortgages payable (Note 10)	74,097	69,684
Related party notes payable (Note 9)	19,336	19,336
Total current liabilities	1,793,577	694,497
Notes payable and lines of credit, less current maturities (Note 8)	554,812	-
Mortgages payable, less current maturities (Note 10)	1,872,079	1,946,600
Total liabilities	4,220,468	2,641,097
Commitments and contingencies (Notes 15, 16, 17)		
Net assets (Notes 2,11,12):		
Unrestricted	972,477	974,134
Temporarily restricted (Notes 2, 11 and 12)	699,327	472,000
Total net assets	1,671,804	1,446,134
	\$5,892,272	\$4,087,231

See accompanying notes to financial statements

Per Scholas, Inc.

Statement of Activities (with comparative totals for 2008)

Year ended December 31,

	Unrestricted	Temporarily restricted	2009	2008
Support and operating revenues:				
Contributions (Note 14)	\$ 251,024	\$ 3,197,942	\$3,448,966	\$2,495,284
Sales	1,501,437	-	1,501,437	2,210,248
Contract revenue	497,259	-	497,259	583,497
Cost of components and training materials	(473,611)	-	(473,611)	(634,800)
Net assets released from restrictions (Note 12)	2,970,615	(2,970,615)	-	-
Net income (loss) from support and operating revenues	4,746,724	227,327	4,974,051	4,654,229
Departmental expenses:				
Comp2Kids, Comp2Seniors and Access	896,537	-	896,537	856,695
Miami	227,369	-	227,369	273,630
Training	1,372,321	-	1,372,321	1,203,367
Recycling	901,066	-	901,066	1,124,705
Administration	1,343,874	-	1,343,874	1,261,941
Total departmental expenses	4,741,167	-	4,741,167	4,720,338
Net income (loss) before nonoperating activity and impairment gain on recycling equipment	5,557	227,327	232,884	(66,109)
Nonoperating activity:				
Unrealized losses on investments	(13,189)	-	(13,189)	(984)
Miscellaneous income	5,975	-	5,975	51,664
Total nonoperating activity	(7,214)	-	(7,214)	50,680
Change in net assets before impairment loss on recycling equipment	(1,657)	227,327	225,670	(15,429)
Impairment loss on recycling equipment (Note 13)	-	-	-	406,966
Change in net assets	(1,657)	227,327	225,670	(422,395)
Net assets, beginning of year	974,134	472,000	1,446,134	1,868,529
Net assets, end of year	\$ 972,477	\$ 699,327	\$1,671,804	\$1,446,134

See accompanying notes to financial statements

Per Scholas, Inc.

Statement of Cash Flows (with comparative totals for 2008)

<i>Year ended December 31,</i>	2009	2008
Cash flows from operating activities:		
Change in net assets	\$ 225,670	\$(422,395)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	124,652	124,850
Impairment loss on equipment	-	406,966
Unrealized losses on investments	13,189	984
(Increase) decrease in assets:		
Accounts receivable	(7,005)	376,385
Contributions receivable	(202,293)	108,344
Inventory	(17,198)	(1,846)
Prepaid and other expenses	10,761	(25,551)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	288,507	(100,269)
Accrued payroll and related expenses	(19,812)	(43,072)
Customer deposits	-	(185,134)
Deferred revenue	202,720	-
Deferred rent	74,642	-
Net cash provided by operating activities	693,833	239,262
Cash flows from investing activities:		
Proceeds from sales of investments	-	184,815
Proceeds from sale of fixed assets	120,000	-
Purchases of fixed assets	(2,105,632)	(1,061)
Net cash provided by (used in) investing activities	(1,985,632)	183,754
Cash flows from financing activities:		
Proceeds from notes payable and lines of credit	1,106,422	100,000
Repayment of notes payable and lines of credit	(3,000)	(152,664)
Repayment of mortgage payable	(70,108)	(66,155)
Net cash provided by (used in) financing activities	1,033,314	(118,819)
Net increase (decrease) in cash and cash equivalents	(258,485)	304,197
Cash and cash equivalents, beginning of year	548,391	244,194
Cash and cash equivalents, end of year	\$ 289,906	\$ 548,391
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 151,809	\$ 150,812

See accompanying notes to financial statements.

Per Scholas, Inc.

Notes to Financial Statements

- 1. Description of the Organization**

Per Scholas, Inc. (the “Organization”) is a not-for-profit organization which was incorporated October 17, 1994 to provide reliable computers and related equipment to schools at the lowest possible price through the process of reconditioning and assembling; and to operate a computer technology training facility for local residents.

- 2. Summary of Significant Accounting Policies**

 - (a) Accounting Changes*

In June 2009, the Financial Accounting Standards Board (“FASB”) issued FASB Accounting Standards Codification (“ASC”) effective for certain financial statements issued for interim and annual periods ending after December 15, 2009. The ASC identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (“GAAP”) in the United States. In accordance with the ASC, references to previously issued accounting standards have been replaced by ASC references. Subsequent revisions to GAAP will be incorporated into the ASC through Accounting Standards Updates (“ASU”).
 - (b) Basis of Presentation*

The financial statements of the Organization have been prepared on the accrual basis. In the statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Per Scholas, Inc.

Notes to Financial Statements

(c) *Financial Statement Presentation*

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

- (i) **Permanently Restricted** – Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.
- (ii) **Temporarily Restricted** – Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.
- (iii) **Unrestricted** – The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

(d) *Cash and Cash Equivalents*

The Organization considers all highly liquid debt instruments with original maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents are recorded at cost which approximates fair market value.

Per Scholas, Inc.

Notes to Financial Statements

(e) *Investments in Investment Partnerships and Investment Companies*

The Organization's investments in investment entities are accounted for under the equity method. These investments are stated at fair value based upon the Organization's equity interest reported by the investment entities.

(f) *Contributions*

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. Temporarily restricted contributions are classified as unrestricted on the statement of activities if the restrictions are met within the fiscal year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(g) *Inventory*

Inventory is stated at the lower of cost or market, applied on an average cost method.

Per Scholas, Inc.

Notes to Financial Statements

(h) *Fixed Assets and Depreciation*

Fixed assets are stated at cost. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight-line method over the estimated useful lives of the assets and is reported for financial statement purposes as follows:

Building	39 years
Leasehold improvements	Lease term
Furniture and fixtures	5 years
Computers and equipment	3-20 years

(i) *Deferred Rent*

The Organization records rent expense for the 804 East 138th Street location under a straight-line basis over the life of the lease in accordance with ASC 840, "Accounting for Leases". Total deferred rent in the amount of \$74,642 and \$-0- was recorded on the Organization's statements of financial position as of December 31, 2009 and 2008, respectively.

(j) *Revenue Recognition*

The Organization receives most of its revenues from the sale of reconditioned computer systems and the recycling of end-of-life computer equipment. There is an established rate for each reconditioned and recycled computer systems.

(k) *Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Per Scholas, Inc.

Notes to Financial Statements

(l) *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(m) *Comparative Financial Information*

The financial statements include certain prior year summarized comparative information. With respect to the statement of activities, the prior year information is presented in total not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the prior year financial statements from which the summarized information was derived.

(n) *Income Taxes*

The Organization was incorporated in the commonwealth of Massachusetts and is a charitable organization that is exempt from Federal, state and local income taxes under the Code, and therefore has made no provision for income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service ("IRS") not to be a "private foundation" within the meaning of Section 509(a) of the Code. There was no unrelated business income for 2009.

Per Scholas, Inc.

Notes to Financial Statements

The Organization adopted the provisions of ASC 740, "Income Taxes" (relevant portions of which were previously addressed in FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes"), on January 1, 2009. Under ASC 740, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained upon examination by a taxing authority. The implementation of ASC 740 had no impact on the Organization's financial statements. The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, The Organization has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. No tax provision was recorded as of January 1, 2009 as a result of the adoption of ASC 740. For the year ended December 31, 2009, there was no interest or penalties recorded or included in the statement of activities.

(o) *Endowments*

The Organization adopted ASC 958-205, "Not-for-Profit Entities", relevant portions of which were previously addressed in FASB Staff Position 117-1, "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), and Enhanced Disclosures for all Endowment Funds", during 2009. ASC 958 requires that disclosures be made on the Organization's endowments by net asset classifications. The Organization does not have any endowments, and the adoption had no impact on the 2009 financial statements.

Per Scholas, Inc.

Notes to Financial Statements

(p) *Investments at Fair Value*

On January 1, 2008, the Organization adopted ASC 820, "Fair Value Measurements and Disclosures". ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 establishes a three-level hierarchy for fair value measurements based on transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

Level 1 - Inputs are unadjusted quoted prices for identical assets in active markets.

Level 2 - Inputs are observable quoted prices for similar assets in active markets.

Level 3 - Inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

3. Investments at Fair Value

(a) The investments at fair value at December 31, 2009 and 2008 are as follows:

<i>December 31</i>	2009	2008
Limited partnership	\$10,714	\$23,903

(b) Investments valuations at December 31, 2009 are summarized as follows:

	Total	Level 1	Level 2	Level 3
Investments at fair value				
Limited partnerships	\$10,714	\$-	\$-	\$10,714

Per Scholas, Inc.

Notes to Financial Statements

Activity for Level 3 investments is summarized as follows:

<i>December 31</i>	2009	2008
Fair value at December 31, 2008	\$ 23,903	\$ 84,234
Realized and unrealized losses	(13,189)	(984)
Sales	-	(59,347)
Fair value at December 31, 2009	\$ 10,714	\$ 23,903

4. Accounts Receivable, Net

Accounts receivable consist of the following:

<i>December 31,</i>	2009	2008
Accounts receivable	\$495,134	\$ 597,780
Less: Allowance for uncollectible accounts receivable	(57,134)	(166,785)
Accounts receivable, net	\$438,000	\$ 430,995

A provision for doubtful accounts receivable has been set up by management based on its assessment of individual receivables from customers.

5. Contributions Receivable

Contributions receivable totaling \$549,327 and \$347,034 at December 31, 2009 and 2008, respectively, represent commitments to the Organization, to be collected in 2010, for training, recycling and general operations. The amounts related to contributions receivable are listed as follows:

<i>December 31, 2009</i>		
NYC Department of Design and Construction	\$380,827	Capital
Robin Hood Foundation	125,000	Training
Various other	43,500	Comp2Kids
	\$549,327	

Per Scholas, Inc.

Notes to Financial Statements

December 31, 2008

Robin Hood Foundation	\$250,000	Training
Carnegie Corporation	50,000	General/operating
Samuels Foundation	22,000	Comp2Seniors
Verizon	20,000	General/operating
Various other	5,034	General/operating
	\$347,034	

6. **Inventory** Inventory includes computer hardware components, packaging material, software, finished products, etc. The inventory at December 31, 2009 and 2008 was \$31,148 and \$13,950, respectively.

7. **Fixed Assets, Net** Fixed assets, stated at cost, consist of the following:

<i>December 31,</i>	2009	2008
Furniture and fixtures	\$ 303,403	\$ 39,980
Computers, equipment and software	181,261	32,307
Building	2,685,095	2,685,095
Leasehold improvements	1,664,983	-
	4,834,742	2,757,382
Less: Accumulated depreciation	(277,265)	(180,885)
Fixed assets, net	\$4,557,477	\$2,576,497

Fully depreciated fixed assets totaling \$28,272 and \$285,828 were written off in 2009 and 2008, respectively. In addition, equipment with a book value of \$526,966 was reported as held for sale in 2008.

Per Scholas, Inc.

Notes to Financial Statements

8. **Line of Credit and Notes Payable** The Organization has balances outstanding under various credit facilities with financial institutions as of December 31, 2009 and 2008. Outstanding balances consist of the following:

<i>December 31,</i>	2009	2008
Unsecured line of credit payable to JP Morgan Chase, principal amount of \$250,000. Interest rate applied to unpaid balance (prime rate plus 1% point). The line is due on demand.	\$ 250,915	\$ -
Unsecured line of credit payable to Bank of America, principal amount of \$100,000, total outstanding amount of \$77,000 as of December 31, 2009. Interest rate is 1% below prime per annum. The line is due on demand.	77,000	80,000
Note payable to Bronx Overall Economic Development Corporation ("BOEDC"), \$100,000 principal. Principal payment is due in full 90 days (January 15, 2010) from the receipt of the funds. Interest rate on note is 0%.	100,000	-
*Convertible note payable to BOEDC, \$550,000 principal. Interest rate on note payable is 3.5% per annum. Maturity – 2011	554,812	-
Note payable to JP Morgan Chase, principal amount of \$200,000. Interest rate is six-month LIBOR (4529) + 4.007 points. Loan maturity – May 2010	200,695	-
Total	1,183,422	80,000
Less: Current portion	628,610	80,000
Total	\$ 554,812	\$ -

* Conversion of the note to a grant may take place in the event the Organization shall reach five of the six 2011 benchmarks as outlined in the note agreement. No repayment of principal and accrued interest shall be required by the Organization to BOEDC if benchmarks are met by the Organization.

Per Scholas, Inc.

Notes to Financial Statements

9. Related Party Transactions

Loans From a Related Party

The Organization obtained two separate interest-free unsecured loans from a Board member, one for \$50,000 and a second for \$20,000. As of December 31, 2009 and 2008, the current combined balance on both loans is \$19,336.

10. Mortgages Payable

Mortgages payable consist of the following:

<i>December 31,</i>	2009	2008
Mortgage payable to the NY Business Development Corporation, due in December 2021, payable in monthly installments of \$9,944 including interest at 7.3% per annum, secured by real estate located at 1571-1579 Bronx River Avenue.	\$1,148,099	\$1,180,077
Mortgage payable to the Small Business Administration, due in December 2021, payable in monthly installments of \$7,847 including interest at 5.002% per annum, secured by real estate located at 1571-1579 Bronx River Avenue.	798,077	836,207
Total	1,946,176	2,016,284
Less: Current portion	74,097	69,684
	\$1,872,079	\$1,946,600

Required principal payments are as follows:

2010	\$ 74,097
2011	78,804
2012	83,588
2013	89,155
2014	94,863
Thereafter	1,525,669
Total	\$1,946,176

Per Scholas, Inc.

Notes to Financial Statements

11. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2009 and 2008 are restricted for the following purposes:

	2009	2008
Capital improvements	\$380,827	\$ -
Training program	275,000	450,000
Comp2Kids	43,500	22,000
Total temporarily restricted net assets	\$699,327	\$472,000

12. Net Assets Released from Restrictions

During the years ended December 31, 2009 and 2008, temporarily restricted net assets were released for the following purposes:

	2009	2008
Donor imposed restrictions	\$1,915,615	\$555,500
Training facility construction	1,055,000	-
Total net assets released from restriction	\$2,970,615	\$555,500

13. Assets Held for Sale (Recycling Equipment)

As of December 31, 2008, assets held for sale are held at the lower of cost or fair value less costs to sell.

During 2008, the Organization elected to discontinue its on-site operation to recycle electronic equipment. As such, equipment used in that operation, having a cost of \$863,632 and a carrying value of \$526,966, was put up for sale. The Organization performed an impairment analysis and decided to record an impairment loss of \$406,966. The equipment was subsequently sold in 2009 for \$120,000.

Per Scholas, Inc.

Notes to Financial Statements

14. Public Support and Revenue

The following are contributions totaling \$3,448,966 and \$2,495,284 made to the Organization for the years ended December 31, 2009 and 2008, respectively:

Grantor	General operating	Training	Training construction	Recycling	December 31, 2009	
					Comp2Kids, Comp2Seniors and Access	Miami
Robin Hood Foundation	\$ -	\$ 775,000	\$1,030,000	\$-	\$ -	\$ -
Comp2Kids - other various	-	-	-	-	330,115	-
The Clark Foundation	200,000	-	-	-	-	-
Tiger Foundation	-	200,000	-	-	-	-
De Camp Foundation (Chase)	-	100,000	-	-	-	-
Bernard F. and Alva B. Gimbel Foundation	-	100,000	-	-	-	-
The Hearst Foundation	-	50,000	-	-	-	-
Con Edison	-	-	-	-	50,000	-
Credit Suisse (USA), Inc	-	-	-	-	37,500	-
The Pinkerton Foundation	-	30,000	-	-	-	-
Sunny and Abe Rosenberg Foundation	-	30,000	-	-	-	-
The Hagedorn Fund	20,000	-	-	-	-	-
Doty Family Foundation	-	-	-	-	20,000	-
NYSE Euronext	-	-	-	-	15,000	-
The Rudin Foundation	10,000	-	-	-	-	-
Lily Auchincloss Foundation, Inc	10,000	-	-	-	-	-
Dade Community Foundation	-	-	-	-	-	8,000

Per Scholas, Inc.

Notes to Financial Statements

December 31, 2009

Grantor	General operating	Training	Training construction	Recycling	Comp2Kids, Comp2Seniors and Access	Miami
Orrick	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -
HSBC Board	5,000	-	-	-	5,000	-
Assent LLC	-	-	-	-	5,000	-
Jewish Communal Fund Board	3,000	-	-	-	-	-
Access Grant	2,000	-	-	-	-	-
Giving Express Online	-	-	-	-	1,500	-
New York City Department of Design and Construction	1,024	-	-	-	-	-
The Hyde and Watson Foundation	-	-	380,827	-	-	-
	-	-	25,000	-	-	-
	\$251,024	\$1,285,000	\$1,435,827	\$-	\$469,115	\$8,000

Per Scholas, Inc.

Notes to Financial Statements

December 31, 2008

Grantor	General operating	Training	Recycling	Comp2Kids, Comp2Seniors and Access	Miami
Robin Hood Foundation	\$ -	\$ 800,000	\$ -	\$ 555,744	\$ -
Comp2Kids Various	-	-	-	-	-
Tiger Foundation	-	200,000	-	-	-
The Clark Foundation	200,000	-	-	-	-
Carnegie Corporation of New York	100,000	-	-	-	-
Booth Ferris Foundation	100,000	-	-	-	-
Bernard F. and Alva B. Gimbel Foundation	-	100,000	-	-	-
The Pinkerton Foundation	-	50,000	-	-	-
The Overbrook Foundation	50,000	-	-	-	-
JP Morgan Chase	-	50,000	-	25,000	-
Credit Suisse	-	25,000	-	-	-
Microsoft	-	48,000	-	-	-
The Bodman Foundation	-	25,000	-	-	-
The Achelis Foundation	-	25,000	-	-	-
Sunny & Abe Rosenberg Foundation	-	25,000	-	-	-
Independence Community Foundation	-	25,000	-	-	-
Verizon	20,000	-	-	-	-
The Hagedorn Fund	20,000	-	-	-	-
Lily Auchincloss Foundation	-	15,000	-	-	-
Bloomberg	-	10,000	-	-	-

Per Scholas, Inc.

Notes to Financial Statements

December 31, 2008

Grantor	General operating	Training	Recycling	Comp2Kids, Comp2Seniors and Access	Miami
Dade Community Foundation	\$ -	-	\$ -	-	\$8,000
General- Various small grants	5,872	-	-	-	-
Board	5,800	-	-	-	-
Myer, Greene & Dedde	-	-	3,000	-	-
Time Warner	-	2,000	-	-	-
Silver Lake	500	-	-	-	-
Park Slope Civic Council	-	-	500	-	-
Circle Apartments LLC.	500	-	-	-	-
Heimbinder Family Foundation	200	-	-	-	-
Network for Good	100	-	-	-	-
Helium Exchange, Inc	57	-	-	-	-
Important Gifts, Inc.	11	-	-	-	-
	\$503,040	\$1,400,000	\$3,500	\$580,744	\$8,000

Per Scholas, Inc.

Notes to Financial Statements

15. Commitments and Contingencies *Operating Leases*

Rental expense included in departmental expenses for all operating leases (rental of premises 890 Garrison Avenue and 804 East 138th Street) was approximately \$196,000 and \$159,000 in 2009 and 2008, respectively.

Future minimum annual lease payments are as follows:

<i>Year ending December 31,</i>	
2010	\$173,880
2011	179,966
2012	195,200
2013	202,032
2014	209,103
	<hr/>
	\$960,181

16. Litigation

The Organization is involved in litigation and claims in the normal course of business. The ultimate outcome of these cases cannot be predicted at this time. Management does not believe that the ultimate outcome of these matters will have a material adverse effect on the financial position of the Organization.

17. Subsequent Events

In May 2010, the Organization entered into an agreement with Redemtech Inc. of Columbus, Ohio. Under this agreement, the Organization subcontracted to Redemtech the refurbishing services which it currently performs on donated computers at its facility in the South Bronx. the Organization will continue to be responsible for sourcing and collecting used computers and other electronic equipment from companies and will continue to distribute refurbished computers under its various distribution programs such as Comp2Kids and at its retail outlet. The agreement has a five-year term but is subject to a six-month trial period.

Independent Auditors' Report on Supplemental Material

Our audit of the basic financial statements included in the preceding section of this report was made for the purpose of forming an opinion on those statements taken as a whole. The supplemental material presented in the following section of this report 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.

BDO USA, LLP

Certified Public Accountants

New York, New York

July 9, 2010

Per Scholas, Inc.

Analysis of Operations

Year ended December 31, 2009

	Comp2Kids, Comp2Seniors and Access	Miami	Training	Recycling	Administration	Total
Support and operating revenues:						
Contributions	\$ 469,115	\$ 8,000	\$1,285,000	\$ -	\$1,686,851	\$3,448,966
Sales	891,774	6,660	-	603,003	-	1,501,437
Contract revenue	44,821	-	452,438	-	-	497,259
Less: Cost of components	(213,101)	-	(17,561)	(1,177)	-	(231,839)
Less: Other costs	(126,348)	(21,845)	(56,998)	(33,985)	(2,596)	(241,772)
Net operating revenues from support and sales	1,066,261	(7,185)	1,662,879	567,841	1,684,255	4,974,051
Salaries and related expenses:						
Salaries and wages	623,509	186,307	679,890	517,053	652,270	2,659,029
Fringe benefits	92,651	19,721	79,010	79,359	77,958	348,699
Total salaries and related expenses	716,160	206,028	758,900	596,412	730,228	3,007,728
Departmental expenses:						
Professional fees	40,640	-	40,792	8,298	125,443	215,173
Training consultants	-	-	186,844	-	-	186,844
Rent and utilities	-	-	270,638	72,170	18,044	360,852
Building operating costs	-	-	21,808	17,829	10,831	50,468
Operating leases	2,028	1,880	9,804	3,465	2,697	19,874
Telephone	21,737	7,029	21,137	20,270	5,206	75,379
Advertising	48,301	55	11,230	691	8,715	68,992
Transportation	12,782	112	2,273	94,729	1,957	111,853
Travel, meals and lodging	18,979	2,963	6,583	10,814	15,663	55,002

Per Scholas, Inc.

Analysis of Operations

Year ended December 31, 2009

	Comp2Kids, Comp2Seniors and Access	Miami	Training	Recycling	Administration	Total
Departmental expenses (continued):						
Business insurance	\$ -	\$ -	\$ -	\$ -	\$ 73,294	\$ 73,294
Office supplies	6,193	2,916	11,888	18,597	8,351	47,945
Postage	395	1,865	182	372	687	3,501
Conference and membership fees	1,964	60	2,209	2,211	6,895	13,339
Finance charges and fees	7,535	2,909	2,683	-	35,608	48,735
Web site development	400	-	60	-	519	979
Repairs and maintenance	5,963	-	2,809	23,502	879	33,153
Staff development and training	55	894	4,746	-	-	5,695
Refunds	10,105	-	-	1,740	-	11,845
Real estate taxes	-	-	16,250	235	11,007	27,492
Donated services	-	-	695	-	-	695
Miscellaneous expenses	3,300	658	790	25,010	16,110	45,868
Total departmental expenses	180,377	21,341	613,421	299,933	341,906	1,456,978
Total expenses before nonoperating activity, interest, depreciation and amortization and impairment charges	896,537	227,369	1,372,321	896,345	1,072,134	4,464,706
Net income (loss) from operations before public support and nonoperating activity, interest, depreciation and amortization and impairment charges	169,724	(234,554)	290,558	(328,504)	612,121	509,345

Per Scholas, Inc.

Analysis of Operations

Year ended December 31, 2009

	Comp2Kids, Comp2Seniors and Access	Miami	Training	Recycling	Administration	Total
Nonoperating activity:						
Unrealized loss on investment	\$ -	\$ -	\$ -	\$ -	\$ (13,189)	\$ (13,189)
Miscellaneous income	-	-	-	-	5,975	5,975
Total nonoperating activity	-	-	-	-	(7,214)	(7,214)
Net income (loss) before interest, depreciation and amortization	169,724	(234,554)	290,558	(328,504)	604,907	502,131
Interest	-	-	-	-	151,809	151,809
Depreciation and amortization	-	-	-	4,721	119,931	124,652
Change in net assets by program	\$ 169,724	\$ (234,554)	\$ 290,558	\$ (333,225)	\$ 333,167	\$ 225,670

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print	Name of Exempt Organization Per Scholas, Inc.	Employer identification number 04 3252955
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P O box, see instructions 804 E 138 Street FL2	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Bronx, NY 10454-1902	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶

Telephone No. ▶ () FAX No. ▶ ()

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until, 20....., to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year 20..... or

▶ tax year beginning, 20....., and ending, 20.....

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization Per Scholas, Inc.	Employer identification number 04 3252955
	Number, street, and room or suite no. If a P.O. box, see instructions 804 E 138 Street FL2	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Bronx, NY 10454	

Check type of return to be filed (File a separate application for each return):

- | | | | |
|--|---|--------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 5227 | |

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **Dino Lianos**
Telephone No. **(718) 991-8400** FAX No **(718) 991-0362**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until **November 15,** 20 **10**.
- For calendar year **2009**, or other tax year beginning _____, 20____, and ending _____, 20____.
- If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- State in detail why you need the extension **Information to prepare the tax return is not yet available from third parties.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	N/A
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	N/A
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature *Dino Lianos* Title **CFO** Date **08/02/10**