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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)

OMB No 1545-0047

2010

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 2010 calendar year, or tax year beginning

07/01, 2010, and ending

06/30, 2011

B Check if applicable

- ☐ Address change
☒ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization

LEARNING ALLY, INC

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address)

20 ROSZEL RD

Room/suite

City or town, state or country, and ZIP + 4

PRINCETON, NJ 08540

F Name and address of principal officer:

ANDREW FRIEDMAN

20 ROSZEL RD PRINCETON, NJ 08540

D Employer identification number

13-1659345

E Telephone number

(609) 520-8010

G Gross receipts \$ 63,657,236.

H(a) Is this a group return for affiliates? ☐ Yes ☒ NoH(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number 3333

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

J Website: WWW.LEARNINGALLY.ORG

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation 1948 M State of legal domicile NJ

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities. TO PROMOTE PERSONAL ACHIEVEMENT WHEN ACCESS AND READING ARE BARRIERS TO LEARNING BY ADVANCING THE USE OF ACCESSIBLE AND EFFECTIVE EDUCATIONAL SOLUTIONS.		
	2	Check this box ☐ 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	20.
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	20.
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	325.
	6	Total number of volunteers (estimate if necessary)	6	6,000.
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	23,820,966.	25,757,835.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,370,698.	1,693,213.
	11	Other revenue (Part VIII, column (A), lines 5, 6, 7c, 9c, 10c, and 11e)	1,886,258.	6,130,751.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,246,336.	-358,902.
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	32,324,258.	33,222,897.
	14	Benefits paid to or for members (Part IX, column (A), line 3)	60,000.	54,000.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	20,581,600.	17,498,992.
	16b	Total fundraising expenses (Part IX, column (D), line 25)	0.	0.
Expenses	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	10,119,082.	10,995,215.
	18	Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)	30,760,682.	28,548,207.
	19	Revenue less expenses. Subtract line 18 from line 12	1,563,576.	4,674,690.
	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
Net Assets or Fund Balances	21	Total liabilities (Part X, line 26)	50,269,397.	55,428,956.
	22	Net assets or fund balances - Subtract line 21 from line 20	6,267,713.	6,363,984.
			44,001,684.	49,064,972.

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

Date

4/25/12

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Scott Thompson

Preparer's signature

Scott Thompson

Date

04/24/2012

Check if self-employed

☐

PTIN

P00741490

Firm's name GRANT THORNTON LLP

Firm's EIN 36-6055558

Firm's address 666 THIRD AVENUE NEW YORK, NY 10017-4011

Phone no 212-599-0100

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

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2010)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III ☒ **X****1** Briefly describe the organization's mission:

ATTACHMENT 1

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 \$ 18,398,194. including grants of \$ 54,000.) (Revenue \$ 3,133,380.)EXPENSES INCURRED IN RECORDING AND DISSEMINATING TEXTBOOKS ON
AUDIO AND ELECTRONIC MEDIA FOR INDIVIDUALS WITH A VISUAL,
PERCEPTUAL OR OTHER PHYSICAL DISABILITY IN A NON-DISCRIMINATORY
MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN,
RELIGION OR ABILITY TO PAY.WE HAVE ATTACHED A COPY OF OUR COMMUNITY BENEFIT REPORT THAT
DETAILS THE MULTIPLE PROGRAMS RUN BY OUR ORGANIZATION. PLEASE SEE
ATTACHED PDF.**4b** (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4c** (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services. (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► 18,398,194.

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)? If "Yes," complete Schedule A	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4 X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
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? If "Yes," complete Schedule D, Part I	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	X
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? If "Yes," complete Schedule D, Part IV	9	X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10 X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a X	
b 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? If "Yes," complete Schedule D, Part VII	11b X	
c 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? If "Yes," complete Schedule D, Part VIII	11c	X
d 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? If "Yes," complete Schedule D, Part IX	11d	X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	X
f 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 (ASC 740)? If "Yes," complete Schedule D, Part X	11f X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b 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? If "Yes," complete Schedule F, Parts I and IV	14b	X
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? If "Yes," complete Schedule F, Parts II and IV	15	X
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? If "Yes," complete Schedule F, Parts III and IV	16	X
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? If "Yes," complete Schedule G, Part I (see instructions)	17	X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18 X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	X
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	X
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	

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>	21	X
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>	22	X
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>	23	X
24 a 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>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
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?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25 a 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>	25a	X
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>	25b	X
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>	26	X
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>	27	X
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>	28a	X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>	28b	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>	29	X
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>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>	31	X
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>	32	X
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>	33	X
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>	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i> ☐ Yes ☒ No		
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>	36	X
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>	37	X
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.	38	X

Form 990 (2010)

Part V**Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response to any question in this Part V. ☐

		Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a 112		
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	X	
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 325		
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. (see instructions)	2b	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
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		X
b If "Yes," enter the name of the foreign country: ▶ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	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		X
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	X	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	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		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b		

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.

Check if Schedule O contains a response to any question in this Part VI ☒ X

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	20	
b Enter the number of voting members included in line 1a, above, who are independent	20	
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?	2	X
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?	3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6 Does the organization have members or stockholders?	6	X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
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	9	X

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

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	X
11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	X
13 Does the organization have a written whistleblower policy?	13	X
14 Does the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	X
b Other officers or key employees of the organization	15b	X
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► ATTACHMENT 2

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: ► SHEILA WEEKS-BROWN 20 ROSZEL RD PRINCETON, NJ 08540
609-520-8088

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII. ☐**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.

- 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, if any. 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 neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(1) ANDREW HOFER CHAIR/INTRM TREASURER-TRUSTEE	3.00	X		X				0.	0.	0.
(2) PETER C ERICHSEN VICE CHAIRMAN - TRUSTEE	3.00	X		X				0.	0.	0.
(3) CELESTE V LOPES ESQ VICE CHAIR - TRUSTEE	3.00	X		X				0.	0.	0.
(4) CAROL SCHEMAN SECRETARY - TRUSTEE	3.00	X		X				0.	0.	0.
(5) DEBORAH JILLSON TRUSTEE	3.00	X						0.	0.	0.
(6) SOONKYU SHIN TRUSTEE	3.00	X						0.	0.	0.
(7) BRAD GROB TRUSTEE	3.00	X						0.	0.	0.
(8) SIMON HALLETT TRUSTEE	3.00	X						0.	0.	0.
(9) JANIS MITCHELL TRUSTEE	3.00	X						0.	0.	0.
(10) JEFF JARVIS TRUSTEE	3.00	X						0.	0.	0.
(11) PERRY LERNER TRUSTEE	3.00	X						0.	0.	0.
(12) MARSHALL LOEB TRUSTEE	3.00	X						0.	0.	0.
(13) HAROLD J LOGAN TRUSTEE	3.00	X						0.	0.	0.
(14) KIMBERLEE PHELAN TRUSTEE	3.00	X						0.	0.	0.
(15) CATHY NESSIER TRUSTEE	3.00	X						0.	0.	0.
(16) SALLY E SHAYWITZ MD TRUSTEE	3.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(17) STEPHEN SIEGEL TRUSTEE	3.00	X						0.	0.	0.
(18) S BLEEKER TOTTEN TRUSTEE	3.00	X						0.	0.	0.
(19) MARC BARANSKI TRUSTEE	3.00	X								
(20) KETTNER J F GRISWOLD TRUSTEE	3.00	X								
(21) ANDREW FRIEDMAN PRESIDENT/CEO	55.00			X				281,794.	0.	23,170.
(22) WILLIAM F. HACKETT (3/11-10/11) CHIEF FINANCIAL OFFICER	45.00			X				0.	0.	0.
(23) ANDREW MALAVSKY CHIEF MARKETING OFFICER	45.00			X				212,127.	0.	26,521.
(24) PETER BERAN SVP, INFORMATION TECHNOLOGY	45.00			X				189,193.	0.	43,282.
(25) MICHAEL KURDZIEL CHIEF PROGRAMS OFFICER	45.00			X				200,737.	0.	1,236.
(26) PATRICIA WILUS VP, HUMAN RESOURCES	55.00			X				119,439.	0.	3,083.
(27) BRADLEY THOMAS (THRU 4/2011) FORMER VP, GOV'T RELATIONS	45.00			X				160,220.	0.	14,094.
(28) JAMES HIGGINS VP, PROGRAM SERVICES	45.00					X		135,716.	0.	23,320.
1b Sub-total								1,299,226.	0.	134,706.
c Total from continuation sheets to Part VII, Section A ATTACHMENT 3								1,163,767.	0.	144,150.
d Total (add lines 1b and 1c)								2,462,993.	0.	278,856.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **25**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **7**

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	176,042.			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	16,585,805.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	8,995,988.			
	g	Noncash contributions included in lines 1a-1f \$		578,346.			
	h	Total. Add lines 1a-1f		25,757,835.			
Program Service Revenue				Business Code			
	2a	MEMBERSHIP FEE REVENUE		900099	1,693,213.	1,693,213.	
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		1,693,213.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,282,651.			1,282,651.
	4	Income from investment of tax-exempt bond proceeds		0.			
	5	Royalties		42,650.			42,650.
			(i) Real	(ii) Personal			
	6a	Gross Rents					
	b	Less: rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		0.			
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		32,436,846.	779,121.		
	b	Less: cost or other basis and sales expenses		28,011,102.	356,765.		
	c	Gain or (loss)		4,425,744.	422,356.		
	d	Net gain or (loss)		4,848,100.			4,848,100.
	8a	Gross income from fundraising events (not including \$ 176,042. of contributions reported on line 1c) See Part IV, line 18	a	116,046.			
	b	Less: direct expenses	b	116,046.			
	c	Net income or (loss) from fundraising events		0.			0.
	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		0.			
	10a	Gross sales of inventory, less returns and allowances	a	1,440,125.			
b	Less: cost of goods sold	b	1,950,426.				
c	Net income or (loss) from sales of inventory		-510,301.			-510,301.	
Miscellaneous Revenue			Business Code				
11a	OTHER INCOME		900099	108,749.		108,749.	
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		108,749.				
12	Total revenue. See instructions		33,222,897.	1,693,213.	0.	5,771,849.	

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).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(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 . . .	0.			
2 Grants and other assistance to individuals in the US See Part IV, line 22	54,000.	54,000.		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	1,221,504.	720,325.	285,741.	215,438.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	12,075,102.	7,120,730.	2,824,678.	2,129,694.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions).	1,038,384.	685,434.	224,274.	128,676.
9 Other employee benefits	1,914,628.	1,276,884.	308,244.	329,500.
10 Payroll taxes	1,249,374.	762,895.	267,211.	219,268.
11 Fees for services (non-employees).				
a Management	0.			
b Legal	162,093.	67,906.	94,187.	0.
c Accounting	-19,468.		-19,468.	
d Lobbying	199,474.		199,474.	
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees	187,753.		187,753.	
g Other	1,978,706.	1,008,595.	503,716.	466,395.
12 Advertising and promotion	0.			
13 Office expenses	507,676.	287,298.	18,783.	201,595.
14 Information technology	655,479.	542,663.	67,623.	45,193.
15 Royalties	0.			
16 Occupancy	1,872,698.	1,789,490.	83,208.	0.
17 Travel	846,444.	461,378.	319,154.	65,912.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	83,696.	83,696.		
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	1,145,653.	964,476.	129,528.	51,649.
23 Insurance	95,034.	89,248.	5,786.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a TELEPHONE	676,527.	641,198.	27,329.	8,000.
b TAPES & PRODUCTION	674,905.	674,905.		
c REPAIRS & MAINTENANCE	393,680.	393,680.		
d BOOKS & PUBLICATIONS	366,978.	352,216.	8,464.	6,298.
e POSTAGE/PACKAGING	556,231.	259,849.	1,247.	295,135.
f All other expenses	611,656.	161,328.	282,613.	167,715.
25 Total functional expenses. Add lines 1 through 24f	28,548,207.	18,398,194.	5,819,545.	4,330,468.
26 Joint Costs. Check here ☐ if following SOP 98-2 (ASC 958-720) 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	5,396.	1	5,657.
	2 Savings and temporary cash investments	2,274,286.	2	4,281,971.
	3 Pledges and grants receivable, net	3,854,318.	3	5,372,417.
	4 Accounts receivable, net	129,185.	4	262,665.
	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)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	273,393.	8	151,835.
	9 Prepaid expenses and deferred charges	666,793.	9	563,254.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 26,197,929.		
	b Less: accumulated depreciation	10b 16,800,925.		
		10,275,438.	10c	9,397,004.
	11 Investments - publicly traded securities	9,143,443.	11	11,444,703.
	12 Investments - other securities. See Part IV, line 11	23,647,145.	12	23,258,881.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11		15	690,569.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	50,269,397.	16	55,428,956.	
Liabilities	17 Accounts payable and accrued expenses	4,278,712.	17	3,246,934.
	18 Grants payable		18	
	19 Deferred revenue		19	1,206,496.
	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		22	
	23 Secured mortgages and notes payable to unrelated third parties	1,989,001.	23	1,910,554.
	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	6,267,713.	26	6,363,984.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	28,643,072.	27	31,543,393.
	28 Temporarily restricted net assets	5,489,458.	28	7,566,458.
	29 Permanently restricted net assets	9,869,154.	29	9,955,121.
	Organizations that do not follow SFAS 117, check here ☐ 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	44,001,684.	33	49,064,972.
	34 Total liabilities and net assets/fund balances	50,269,397.	34	55,428,956.

Form 990 (2010)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI. ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	33,222,897.
2	Total expenses (must equal Part IX, column (A), line 25)	2	28,548,207.
3	Revenue less expenses. Subtract line 2 from line 1	3	4,674,690.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	44,001,684.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	388,598.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	49,064,972.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII. ☐

	Yes	No
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?		X
b Were the organization's financial statements audited by an independent accountant?	X	
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.	X	
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 separate basis, consolidated 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?	X	
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.	X	

Form **990** (2010)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box.
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ☐
- (ii) A family member of a person described in (i) above? ☐
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2010

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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants")	16,756,755.	30,475,371.	38,761,030.	43,475,248.	25,757,835.	155,226,239.
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.	16,756,755.	30,475,371.	38,761,030.	43,475,248.	25,757,835.	155,226,239.
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						155,226,239.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4	16,756,755.	30,475,371.	38,761,030.	43,475,248.	25,757,835.	155,226,239.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,000,109.	984,487.	771,768.	622,383.	1,325,301.	4,704,048.
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) - ATCH 1.	833,948.	6,443,314.	3,451,344.	5,216,177.	108,749.	16,053,532.
11 Total support. Add lines 7 through 10						175,983,819.
12 Gross receipts from related activities, etc (see instructions)					12	28,494,820.
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						☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	88.20%
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	88.11%
16a 33 1/3% support test - 2010. 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	☒	
b 33 1/3% support test - 2009. 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	☐	
17a 10%-facts-and-circumstances test - 2010. 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	☐	
b 10%-facts-and-circumstances test - 2009. 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	☐	
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	☐	

Schedule A (Form 990 or 990-EZ) 2010

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 or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
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						
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						
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)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
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)						
13 Total support. (Add lines 9, 10c, 11, and 12)						

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 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2010. 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 - 2009. 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; or Part III, line 12. Also complete this part for any additional information. (See instructions).

ATTACHMENT 1

SCHEDULE A, PART II - OTHER INCOME

DESCRIPTION	2006	2007	2008	2009	2010	TOTAL
MISCELLANEOUS INCOME	833,948.	6,443,314.	3,451,344.	5,216,177.	108,749.	16,053,532.
TOTALS	<u>833,948.</u>	<u>6,443,314.</u>	<u>3,451,344.</u>	<u>5,216,177.</u>	<u>108,749.</u>	<u>16,053,532.</u>

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities
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.**

OMB No 1545-0047

2010

Open to Public Inspection

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) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

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

Name of organization

LEARNING ALLY, INC

Employer identification number

13-1659345

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 on behalf of or in opposition to candidates for public office 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 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 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 filing organization made payments. 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-
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2010

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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												
1 a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	199,474.													
c	Total lobbying expenditures (add lines 1a and 1b)	199,474.													
d	Other exempt purpose expenditures	29,794,994.													
e	Total exempt purpose expenditures (add lines 1c and 1d)	29,994,468.													
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns	1,000,000.													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>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)	250,000.													
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?		☐ Yes ☐ 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2 a Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
b Lobbying ceiling amount (150% of line 2a, column (e))					6,000,000.
c Total lobbying expenditures	614,889.	617,605.	414,885.	199,474.	1,846,853.
d Grassroots nontaxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000.
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2010

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			
j Total. Add lines 1c through 1i			
2 a 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 1i. Also, complete this part for any additional information.

Part IV Supplemental Information (continued)

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

2010

Open to Public
Inspection

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

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 education)	☐ 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, and not on a historic structure listed in the National Register	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 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 (ASC 958), 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 (ASC 958), 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 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2010

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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 d ☐ Loan or exchange programs
 b ☐ Scholarly research e ☐ Other _____
 c ☐ Preservation for future generations

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
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

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 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	12,223,514.	10,981,124.			
b Contributions	0.	17,384.			
c Net investment earnings, gains, and losses	1,522,476.	1,231,006.			
d Grants or scholarships					
e Other expenditures for facilities and programs		6,000.			
f Administrative expenses					
g End of year balance	13,745,990.	12,223,514.			

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ▶ 0.0000 %
 b Permanent endowment ▶ 64.0000 %
 c Term endowment ▶ 36.0000 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		X
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI 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		1,637,419.		1,637,419.
b Buildings		9,077,230.	4,012,544.	5,064,686.
c Leasehold improvements		572,356.	311,195.	261,161.
d Equipment		6,965,370.	5,871,631.	1,093,739.
e Other		7,945,554.	6,605,555.	1,339,999.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				9,397,004.

Schedule D (Form 990) 2010

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
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) FUND OF FUNDS	23,258,881.	FMV
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12)	23,258,881.	

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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
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
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15)	

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

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	

2. FIN 48 (ASC 740) 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 (ASC 740).

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	33,222,897.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	28,548,207.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	4,674,690.
4	Net unrealized gains (losses) on investments	4	-431,267.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	180.
9	Total adjustments (net). Add lines 4 through 8	9	-431,087.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	4,243,603.

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	54,509,222.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	-431,267.
b	Donated services and use of facilities	2b	19,838,873.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	19,407,606.
3	Subtract line 2e from line 1	3	35,101,616.
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	187,753.
b	Other (Describe in Part XIV.)	4b	-2,066,472.
c	Add lines 4a and 4b	4c	-1,878,719.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	33,222,897.

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

1	Total expenses and losses per audited financial statements	1	49,446,114.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	19,019,188.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	2,066,472.
e	Add lines 2a through 2d	2e	21,085,660.
3	Subtract line 2e from line 1	3	28,360,454.
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	187,753.
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	187,753.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	28,548,207.

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.

SEE PAGE 5

Part XIV Supplemental Information (continued)

FIN 48 AUDITED FINANCIAL STATEMENT FOOTNOTE

INCOME TAXES

THE ORGANIZATION ADOPTED THE PROVISIONS OF FASB INTERPRETATION NO. ("FIN 48") ACCOUNTING FOR UNCERTAINTIES IN INCOME TAXES - AN INTERPRETATION OF FASB STATEMENT NO. 109, NOW INCORPORATED IN ACCOUNTING STANDARDS CODIFICATION ("ASC") 740. ASC 740-10 CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN, INCLUDING ISSUES RELATING TO FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT. THIS SECTION PROVIDES THAT THE TAX EFFECTS FROM AN UNCERTAIN TAX POSITION CAN BE RECOGNIZED IN THE FINANCIAL STATEMENTS ONLY IF THE POSITION IS "MORE-LIKELY-THAN-NOT" TO BE SUSTAINED IF THE POSITION WERE TO BE CHALLENGED BY A TAXING AUTHORITY. THE ASSESSMENT OF THE TAX POSITION IS BASED SOLELY ON THE TECHNICAL MERITS OF THE POSITION, WITHOUT REGARD TO THE LIKELIHOOD THAT THE TAX POSITION MAY BE CHALLENGED.

LEARNING ALLY IS EXEMPT FROM FEDERAL INCOME TAXATION BY VIRTUE OF BEING AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. NEVERTHELESS, LEARNING ALLY MAY BE SUBJECT TO TAX ON INCOME UNRELATED TO ITS EXEMPT PURPOSE, UNLESS THAT INCOME IS OTHERWISE EXCLUDED BY THE CODE. THE TAX YEARS ENDING JUNE 30, 2008, 2009, AND 2010 ARE STILL OPEN TO AUDIT FOR BOTH FEDERAL AND STATE PURPOSES. THE ADOPTION OF ASC 740-10 DID NOT HAVE AN IMPACT ON LEARNING ALLY'S FINANCIAL STATEMENTS, AS MANAGEMENT DETERMINED THAT THERE ARE NO UNCERTAIN TAX POSITIONS WITHIN ITS FINANCIAL STATEMENTS.

SCHEDULE D, PART V, ENDOWMENT FUNDS

Part XIV Supplemental Information (continued)

LEARNING ALLY'S ENDOWMENT FUND CONSISTS OF APPROXIMATELY 40 INDIVIDUAL DONOR-RESTRICTED FUNDS ESTABLISHED FOR THE PURPOSE OF SUPPORTING THE ORGANIZATION'S MISSION-RELATED PROGRAMS. THE ENDOWMENT'S PRINCIPAL IS INTENDED TO BE LEFT UNTOUCHED, WHILE ITS INCOME WILL BE USED TO FUND VARIOUS PROGRAMS, SCHOLARSHIPS AND OTHER PROGRAM-RELATED ENDEAVORS.

FORM 990, SCHEDULE D, PART XII, PART 4(B)

SPECIAL EVENTS EXPENSES RECLASSED TO OFFSET REVENUE - \$116,046

COST OF GOODS SOLD RECLASSED TO PART VIII, LINE 10(B) - \$1,950,426

FORM 990, SCHEDULE D, PART XIII, PART 2(D)

SPECIAL EVENTS EXPENSES RECLASSED TO OFFSET REVENUE - \$116,046

COST OF GOODS SOLD RECLASSED TO PART VIII, LINE 10(B) - \$1,950,426

SCHEDULE D, PART XI, LINE 8

RECLASS TO INVESTMENT EXPENSE - \$180

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Supplemental Information Regarding
Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the
organization entered more than \$15,000 on Form 990-EZ, line 6a
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

**Open To Public
Inspection**

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

Part I

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- | | |
|--|---|
| a ☐ Mail solicitations | e ☐ Solicitation of non-government grants |
| b ☐ Internet and email solicitations | f ☐ Solicitation of government grants |
| c ☐ Phone solicitations | g ☐ Special fundraising events |
| d ☐ In-person solicitations | |

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total				▶		

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total events (add col (a) through col. (c))
		DC GALA (event type)	VA GALA (event type)	6. (total number)	
Revenue	1 Gross receipts	175,277.	58,106.	58,705.	292,088.
	2 Less: Charitable contributions	115,877.	19,549.	40,616.	176,042.
	3 Gross income (line 1 minus line 2).	59,400.	38,557.	18,089.	116,046.
Direct Expenses	4 Cash prizes	1,000.			1,000.
	5 Noncash prizes		150.		150.
	6 Rent/facility costs	6,894.	18,740.	7,288.	32,922.
	7 Food and beverages	28,098.	1,720.	3,456.	33,274.
	8 Entertainment	12,966.	10,920.		23,886.
	9 Other direct expenses	10,442.	7,027.	7,346.	24,814.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				(116,046.)
	11 Net income summary. Combine line 3, column (d), and line 10				

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				
	2 Cash prizes				
Direct Expenses	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ 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				

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? ☐ Yes ☐ No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

- 11** Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No
- 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? ☐ 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? ☐ Yes ☐ No
- 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 ▶ _____

☐ Director/officer ☐ Employee ☐ 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? ☐ Yes ☐ No
- 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 ▶ \$ _____

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

LEARNING ALLY, INC

Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

OMB No 1545-0047

2010

Open to Public
Inspection

Employer identification number

13-1659345

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed ☐

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								

2 Enter total number of section 501(c)(3) and government organizations

3 Enter total number of other organizations

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2010)

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1	EDUCATIONAL SCHOLARSHIPS	9.	54,000.			
2						
3						
4						
5						
6						
7						

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

GRANT FUND MONITORING

SCHEDULE I, PART I, QUESTION 2

LEARNING ALLY PROVIDES SCHOLARSHIPS TO STUDENTS SEEKING A DEGREE IN HIGHER EDUCATION. THESE AMOUNTS ARE REMIT DIRECTLY TO THE STUDENTS, WITH THE EXPECTATION THAT THE AMOUNTS WILL BE USED TO DEFRAY TUITION OR EDUCATIONAL COSTS. LEARNING ALLY ISSUES 1099S TO THE RECIPIENT STUDENTS AS LEARNING ALLY DOES NOT CONTROL THE USE OF THE FUNDS ONCE PAID.

**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

2010

Open to Public Inspection

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

Part I Questions Regarding Compensation

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.

- ☐ First-class or charter travel
☐ Travel for companions
☐ Tax indemnification and gross-up payments
☐ Discretionary spending account

- ☐ Housing allowance or residence for personal use
☐ Payments for business use of personal residence
☐ Health or social club dues or initiation fees
☐ 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

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?

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.

- ☒ Compensation committee
☒ Independent compensation consultant
☒ Form 990 of other organizations

- ☒ Written employment contract
☒ Compensation survey or study
☒ 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 from the organization or a related organization?
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

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.

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.

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

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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b		
2		
3		
4a	X	
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2010

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies 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				
1 ANDREW FRIEDMAN	(i) 231,794. (ii) 0.	50,000. 0.	0. 0.	0. 0.	23,170. 0.	304,964. 0.	0. 0.
2 ANDREW MALAVSKY	(i) 202,127. (ii) 0.	10,000. 0.	0. 0.	0. 0.	26,521. 0.	238,648. 0.	0. 0.
3 PETER BERAN	(i) 167,385. (ii) 0.	7,500. 0.	14,308. 0.	23,184. 0.	20,098. 0.	232,475. 0.	0. 0.
4 MICHAEL KURDZIEL	(i) 195,737. (ii) 0.	5,000. 0.	0. 0.	0. 0.	1,236. 0.	201,973. 0.	0. 0.
5 JOHN KELLY (THRU 5/2010)	(i) 0. (ii) 0.	0. 0.	335,976. 0.	15,063. 0.	19,566. 0.	370,605. 0.	0. 0.
6 WILLIAM F BARTOLINI (THRU 4/2010)	(i) 0. (ii) 0.	0. 0.	209,666. 0.	7,135. 0.	7,242. 0.	224,043. 0.	0. 0.
7 BRADLEY THOMAS (THRU 4/2010)	(i) 155,220. (ii) 0.	5,000. 0.	0. 0.	11,782. 0.	2,312. 0.	174,314. 0.	0. 0.
8 GRETCHEN CASTLE (THRU 6/2010)	(i) 0. (ii) 0.	0. 0.	148,685. 0.	0. 0.	17,661. 0.	166,346. 0.	0. 0.
9 JAMES HIGGINS	(i) 123,216. (ii) 0.	12,500. 0.	0. 0.	0. 0.	23,320. 0.	159,036. 0.	0. 0.
10	(i) 0. (ii) 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.
11	(i) 0. (ii) 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.
12	(i) 0. (ii) 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.
13	(i) 0. (ii) 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.
14	(i) 0. (ii) 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.
15	(i) 0. (ii) 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.
16	(i) 0. (ii) 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.	0. 0.

Schedule J (Form 990) 2010

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.

FORM 990, SCHEDULE J, LINE 4A

LEARNING ALLY MADE SEVERAL SEVERANCE PAYMENTS IN THE CURRENT YEAR.

FORMER PRESIDENT/CEO, JOHN KELLY, RECEIVED A SEVERANCE PAYMENT OF \$335,976.

FORMER CHIEF DEVELOPMENT OFFICER, WILLIAM BARTOLIINI, RECEIVED A SEVERANCE PAYMENT OF \$209,666.

FORMER CHIEF ORG DEV. OFFICER, GRETCHEN CASTLE, RECEIVED A SEVERANCE PAYMENT OF \$148,685.

FORM 990, SCHEDULE J, LINE 7

LEARNING ALLY PROVIDED BONUSES TO INDIVIDUALS REPORTED IN PART VII AND SCHEDULE J OF THE FORM 990. THESE BONUSES ARE REPORTED IN SCHEDULE J, PART II, COLUMN (B) (II). ALL BONUSES ARE PERFORMANCE BASED.

THE TOTAL BONUS POOL IS APPROVED BY THE BOARD OF DIRECTORS. THE SENIOR

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.

LEADERSHIP TEAM RECOMMENDS BONUSES FOR STAFF MEMBERS THAT ARE ULTIMATELY

APPROVED BY THE LEADERSHIP TEAM SO LONG AS THE BONUS IS WITHIN THE

GUIDELINES ESTABLISHED BY THE BOARD.

THE BOARD OF DIRECTORS DETERMINES AND APPROVES THE CEO'S BONUS.

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

2010

**Open To Public
Inspection**

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

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
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2010

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
(1) ANDREW FRIEDMAN	PRESIDENT/CEO	128,440.	BUSINESS TX WITH FAMILY MEMBER		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

FORM 990, SCHEDULE L, PART IV, LINE 1

THE PRESIDENT'S WIFE, MARY MILLER-FRIEDMAN, OWNS A CONSULTING FIRM THAT PROVIDES FINANCIAL SYSTEM AND OTHER PROJECT MANAGEMENT SERVICES. THE COMPANY EARNED \$128,440 FOR SERVICES FOR THE YEAR ENDING JUNE 30, 2011. HUMAN RESOURCES CONDUCTED AN APPROPRIATE MARKET SURVEY TO ENSURE THAT SERVICES WERE PROVIDED AT MARKET OR LOWER RATE.

**SCHEDULE M
(Form 990)**

Department of the Treasury
Internal Revenue Service

- Noncash Contributions

► Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.

► Attach to Form 990.

OMB No. 1545-0047

2010

**Open To Public
Inspection**

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications	X		216,120.	FAIR MARKET VALUE
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	20.	195,672.	FMV
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (ATCH 1)		350.	166,554.	
26 Other ► ()				
27 Other ► ()				
28 Other ► ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

	Yes	No
30 a During the year, did the organization receive by contribution any property reported in Part I, line 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32 a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	X	
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2010)

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

NON-CASH CONTRIBUTIONS

SCHEDULE M, PART I, QUESTION 32A

THE ORGANIZATION HIRES INDEPENDENT THIRD-PARTIES TO SELL NON-CASH CONTRIBUTIONS IT RECEIVES, INCLUDING PUBLICLY TRADED SECURITIES. IF THE ORGANIZATION DECIDES NOT TO RETAIN THE ITEM(S), THE ORGANIZATION PAYS FAIR MARKET VALUE RATES AND COMMISSIONS IN THESE INSTANCES.

SCHEDULE M, LINE 25 -

FOR THE YEAR ENDING JUNE 30, 2011, LEARNING ALLY RECEIVED \$166,554 IN GIFTS-IN-KIND FROM VARIOUS ORGANIZATIONS. \$63,850 REPRESENTED DONATED GOODS AND SERVICES FOR THE BUILD OUT OF LEARNING ALLY'S ORLAND PARK STUDIO IN ILLINOIS; \$33,060 WERE GOODS DONATED BY MICROSOFT; THE REMAINDER WERE DONATED ITEMS FOR FUNDRAISING EVENTS.

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.ATTACHMENT 1SCHEDULE M, PART I - OTHER NONCASH CONTRIBUTIONS

<u>DESCRIPTION</u>	<u>(A) CHECK</u>	<u>(B) NUMBER OF CONTRIBUTIONS</u>	<u>(C) REVENUES REPORTED</u>	<u>(D) METHOD OF DETERMINING</u>
ASSORTED GIFTS IN KIND (S	X	350.	166,554.	COST
TOTALS		<u>350.</u>	<u>166,554.</u>	

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

LEARNING ALLY, INC

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2010

**Open to Public
Inspection**

Employer identification number

13-1659345

SIGNIFICANT CHANGES

FORM 990, PART VI, SECTION A, LINE 4

ON APRIL 6, 2011, THE ORGANIZATION CHANGED THEIR CORPORATE NAME FROM
RECORDING FOR THE BLIND & DYSLEXIC, INC. TO LEARNING ALLY. THIS CHANGE
HAS BEEN DOCUMENTED IN THE ORGANIZATION'S ORGANIZING DOCUMENTS (ARTICLES
OF INCORPORATION).

REVIEW OF FORM 990

FORM 990, PART VI, SECTION B, LINE 11

AS PART OF THE TAX RETURN PREPARATION PROCESS, THE ORGANIZATION HIRED A
PROFESSIONAL CPA FIRM WITH EXPERIENCE AND EXPERTISE IN THE NOT-FOR-PROFIT
TAX RETURN PREPARATION TO PREPARE THE FEDERAL FORM 990. THE CPA FIRM'S
TAX PROFESSIONALS WORKED CLOSELY WITH THE ORGANIZATION'S FINANCE
PERSONNEL AND VARIOUS OTHER INDIVIDUALS OF THE ORGANIZATION AND THE
SYSTEM TO OBTAIN THE INFORMATION NEEDED IN ORDER TO PREPARE A COMPLETE
AND ACCURATE TAX RETURN.

THE CPA FIRM PREPARED A DRAFT FEDERAL FORM 990 AND FURNISHED IT TO THE
ORGANIZATION'S FINANCE PERSONNEL AND OTHER INDIVIDUALS FOR THEIR REVIEW.
THE ORGANIZATION'S FINANCE PERSONNEL AND OTHER INDIVIDUALS REVIEWED THE
DRAFT FEDERAL FORM 990 AND DISCUSSED QUESTIONS AND COMMENTS WITH THE CPA
FIRM. REVISIONS WERE MADE TO THE DRAFT FEDERAL FORM 990 WHERE NECESSARY
AND A FINAL DRAFT WAS FURNISHED BY THE CPA FIRM TO THE ORGANIZATION'S
FINANCE PERSONNEL AND VARIOUS OTHER INDIVIDUALS FOR FINAL REVIEW AND

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

APPROVAL PRIOR TO PRESENTATION OF THE FEDERAL FORM 990 TO THE MEMBERS OF THE ORGANIZATION'S AUDIT COMMITTEE.

THE ORGANIZATION'S FEDERAL FORM 990 WAS PROVIDED TO AND MADE AVAILABLE TO THE AUDIT COMMITTEE OF LEARNING ALLY, INC. FOR REVIEW BY ITS MEMBERS PRIOR TO FILING OF THE FEDERAL FORM 990 WITH THE INTERNAL REVENUE SERVICE ("IRS").

FOLLOWING THIS REVIEW, THE FORM 990 WAS MADE AVAILABLE TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY, ITS BOARD OF TRUSTEES, PRIOR TO FILING WITH THE IRS. THE ORGANIZATION'S BOARD OF TRUSTEES HAS DELEGATED TO ITS AUDIT COMMITTEE THE RESPONSIBILITY TO OVERSEE, REVIEW AND APPROVE THE FEDERAL FORM 990, INCLUDING THE PREPARATION, REVIEW AND FILING PROCESS.

CONFLICT OF INTEREST POLICY

FORM 990, PART VI, SECTION B, LINE 12

THE ORGANIZATION REGULARLY MONITORS AND ENFORCES COMPLIANCE WITH ITS CONFLICT OF INTEREST POLICY. ANNUALLY ALL MEMBERS OF THE BOARD OF TRUSTEES, OFFICERS AND SENIOR MANAGEMENT PERSONNEL ARE REQUIRED TO REVIEW THE EXISTING CONFLICT OF INTEREST POLICY AND COMPLETE A QUESTIONNAIRE. THE COMPLETED QUESTIONNAIRES ARE RETURN TO THE ORGANIZATION'S BOARD SECRETARY TO INVENTORY. THE COMPLETED QUESTIONNAIRES ARE REVIEWED BY THE PRESIDENT/CHIEF EXECUTIVE OFFICER OF THE ORGANIZATION.

COMPENSATION

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

FORM 990, PART VI, SECTION B, LINE 15

AN EXECUTIVE COMPENSATION COMMITTEE (ECC), CONSISTING OF THE NATIONAL BOARD CHAIRMAN AND VICE CHAIRMAN, WILL MEET ANNUALLY PRIOR TO THE BEGINNING OF THE ORGANIZATION'S FISCAL YEAR. THE ORGANIZATION'S HUMAN RESOURCES DEVELOPMENT DEPARTMENT WILL PROVIDE THE ECC AND THE PRESIDENT/CHIEF EXECUTIVE OFFICER WITH COMPENSATION SURVEY RESULTS FROM AN OUTSIDE FIRM. IN CONDUCTING THIS SURVEY, COMPARATIVE DATA IS TO BE GATHERED FROM NON-PROFIT ORGANIZATIONS OF SIMILAR SIZE. USING THE SURVEY RESULTS, MANAGEMENT WILL PROPOSE ANNUAL SALARY RANGES FOR ALL EMPLOYEES.

THE EXECUTIVE COMMITTEE OF THE NATIONAL BOARD WILL REVIEW AND APPROVE THE SALARY RANGES FOR THE TOP TEN MOST HIGHLY COMPENSATED ORGANIZATION EMPLOYEES. THESE APPROVED SALARY RANGES WILL BE USED IN CONJUNCTION WITH THE EMPLOYEE PERFORMANCE APPRAISALS TO DETERMINE THE SPECIFIC COMPENSATION LEVEL FOR EACH INDIVIDUAL. THE ECC WILL SET THE COMPENSATION LEVEL FOR THE PRESIDENT/CHIEF EXECUTIVE OFFICER. THE PRESIDENT/CHIEF EXECUTIVE OFFICER WILL SET THE COMPENSATION LEVELS FOR ALL OTHER ORGANIZATION EMPLOYEES.

IN THIS PRACTICE, THE ECC WILL ALSO REVIEW THE PRESIDENT/CHIEF EXECUTIVE OFFICER ESTABLISHED COMPENSATION LEVELS FOR THE REMAINING NINE MOST-HIGHLY COMPENSATED EMPLOYEES. THEN, IN EXECUTIVE SESSION WITH THE PRESIDENT/CHIEF EXECUTIVE OFFICER PRESENT, THE NATIONAL BOARD OF TRUSTEES WILL REVIEW THE COMPENSATION LEVELS AND COMPARISON DATA FOR THE PRESIDENT/CHIEF EXECUTIVE OFFICER AND THE OTHER NINE POSITIONS. THIS REPORT TO THE FULL BOARD WILL OCCUR AFTER THE ANNUAL COMPENSATION PROCESS

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

HAS TAKEN PLACE AND IS IMPLEMENTED. THE DATA WILL BE PRESENTED FOR INFORMATIONAL PURPOSES ONLY, NO ACTION WILL BE REQUIRED BY THE BOARD.

THE ACTIONS TAKEN BY THE ECC ENABLE THE ORGANIZATION TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 4958 WITH RESPECT TO THE TOTAL COMPENSATION OF CERTAIN MEMBERS OF THE SENIOR MANAGEMENT TEAM, INCLUDING THE PRESIDENT/CHIEF EXECUTIVE OFFICER AND THE NEXT NINE MOST-HIGHLY COMPENSATED EMPLOYEES. THE THREE FACTORS WHICH MUST BE SATISFIED IN ORDER TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS ARE THE FOLLOWING:

(1) THE COMPENSATION ARRANGEMENT IS APPROVED IN ADVANCE BY AN AUTHORIZED BODY OF THE APPLICABLE TAX-EXEMPT ORGANIZATION WHICH IS COMPOSED ENTIRELY OF INDIVIDUALS WHO DO NOT HAVE A CONFLICT OF INTEREST WITH RESPECT TO THE COMPENSATION ARRANGEMENT,

(2) THE AUTHORIZED BODY OBTAINED AND RELIED UPON APPROPRIATE DATA AS TO COMPARABILITY PRIOR TO MAKING ITS DETERMINATION, AND

(3) THE AUTHORIZED BODY ADEQUATELY DOCUMENTED THE BASIS FOR ITS DETERMINATION CONCURRENTLY WITH MAKING THAT DETERMINATION.

THE ACTIONS OUTLINED ABOVE WITH RESPECT TO THE COMMITTEE AND THE ESTABLISHMENT OF THE REBUTTABLE PRESUMPTION OF REASONABLENESS APPLIES TO CERTAIN INDIVIDUALS DISCLOSED IN THIS FORM 990, INCLUDING THE

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

PRESIDENT/CHIEF EXECUTIVE OFFICER AND THE NEXT NINE-MOST HIGHLY
COMPENSATED EMPLOYEES.

THE COMPENSATION AND BENEFITS OF THE OTHER INDIVIDUALS CONTAINED IN THIS
FORM 990 IS REVIEWED ANNUALLY BY THE PRESIDENT/CHIEF EXECUTIVE OFFICER
WITH ASSISTANCE FROM THE ORGANIZATION'S HUMAN RESOURCES DEPARTMENT IN
CONJUNCTION WITH THE INDIVIDUAL'S JOB PERFORMANCE DURING THE YEAR AND IS
BASED UPON OTHER OBJECTIVE FACTORS DESIGNED TO ENSURE THAT REASONABLE AND
FAIR MARKET VALUE COMPENSATION IS PAID BY THE ORGANIZATION. OTHER
OBJECTIVE FACTORS INCLUDE MARKET SURVEY DATA FOR COMPARABLE POSITIONS,
INDIVIDUAL GOALS AND OBJECTIVES, PERSONNEL REVIEWS, EVALUATIONS,
SELF-EVALUATIONS AND PERFORMANCE FEEDBACK MEETINGS.

PUBLIC DOCUMENTS

FORM 990, PART VI, SECTION C, LINE 19

LEARNING ALLY MAKES ITS FORM 990 AND AUDITED FINANCIAL STATEMENTS
AVAILABLE ON ITS WEBSITE, WWW.LEARNINGALLY.ORG. LEARNING ALLY'S
GOVERNING DOCUMENTS AND CONFLICT OF INTEREST STATEMENT ARE AVAILABLE UPON
REQUEST AND AT MANAGEMENT'S DISCRETION.

FORM 990, PART XI, LINE 5

UNREALIZED LOSS ON INVESTMENTS - (\$431,267)

RECLASS TO INVESTMENT EXPENSE - \$180

DONATED SPACE - \$819,686

TOTAL CHANGE IN FUND BALANCE - \$388,598

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

ATTACHMENT 1FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

LEARNING ALLY (THE "ORGANIZATION") IS A NATIONAL, NOT-FOR-PROFIT VOLUNTEER ORGANIZATION THAT SERVES PEOPLE WHO CANNOT EFFECTIVELY READ STANDARD PRINT BECAUSE OF A VISUAL IMPAIRMENT, DYSLEXIA, OR OTHER PHYSICAL DISABILITY. THE ORGANIZATION IS DEDICATED TO CREATE OPPORTUNITIES FOR INDIVIDUAL SUCCESS BY PROVIDING, AND PROMOTING THE EFFECTIVE USE OF, ACCESSIBLE EDUCATIONAL MATERIALS. THE ORGANIZATION'S VISION IS FOR ALL PEOPLE TO HAVE ACCESS TO THE PRINTED WORD.

ATTACHMENT 2FORM 990, PART VI, LINE 17 - STATES

AL, AK, AZ, AR, CA, CO, CT,
DC, FL, GA, IL, IN, KS, KY, ME, MD, MA, MI,
MN, MS, MO, MT, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA,
RI, SC, TN, TX, UT, VA, WA, WV, WI,

ATTACHMENT 3

PART VII - CONTINUATION OF OFFICERS, DIRECTORS, TRUSTEES,
KEY EMPLOYEES AND HIGHEST COMPENSATED EMPLOYEES

(1)=IND.TRUSTEE/DIR. (2)=INS.TRUSTEE (3)=OFFICER (4)=KEY EMP. (5)=HIGHEST COMP. (6)=FORMER

(A) NAME AND TITLE	(B) HOURS	(C) POSITION					COMPENSATION FROM		
		(1)	(2)	(3)	(4)	(5)	(D) ORG.	(E) REL.	(F) OTHER
29 MARGARET GUELICH DIRECTOR, ANNUAL GIVING	45.00				X		128,834.	0.	6,914.
30 SHEILA WEEKS-BROWN AVP - FINANCE	45.00				X		119,545.	0.	13,010.
31 DAVE KOZEMCHAK AVP - OPERATIONS	45.00				X		111,371.	0.	29,216.
32 CHRISTINA RAMO AREA VICE PRESIDENT	45.00				X		109,690.	0.	28,343.

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

ATTACHMENT 3 (CONT'D)

33 JOHN KELLY (THRU 5/2010)					
FORMER PRESIDENT/CEO	45.00	X	335,976.	0.	34,629.
34 WILLIAM F BARTOLINI (THRU 3/2010)					
FORMER CHIEF DEV OFFICER	45.00	X	209,666.	0.	14,377.
35 GRETCHEN CASTLE (THRU 6/2010)					
FORMER CHIEF ORG DEV OFFICER	45.00	X	148,685.	0.	17,661.

ATTACHMENT 4990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
UNIVERSAL MAILING SERVICES, INC. 10 NEW ENGLAND AVE PISCATAWAY, NY 08854	DIRECT MAIL	273,422.
VAN SCOYOC ASSOCIATES, INC. 101 CONSTITUTION AVE NW#600 WEST WASHINGTON, DC 20001	LOBBYIST	113,103.
BYALA SEARCH LLC 750 THIRD AVE, SUITE 900 NEW YORK, NY 10017	EXECUTIVE RESEARCH	109,391.
PRINT MAIL COMMUNICATIONS, INC 7201 LOCKPORT PLACE LORTON, VA 22079	DIRECT MAIL	108,901.
TECHNICOLOR 250 EAST OLIVE AVE, SUITE 300 BURBANK, CA 91502	ELEC DISTRIBUTION	108,164.
TOTAL COMPENSATION		<u>712,981.</u>

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate Instructions.

OMB No. 1545-0047

2010

Open to Public
Inspection

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

	(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)	-----	-----	-----	-----	-----	-----
(2)	-----	-----	-----	-----	-----	-----
(3)	-----	-----	-----	-----	-----	-----
(4)	-----	-----	-----	-----	-----	-----
(5)	-----	-----	-----	-----	-----	-----
(6)	-----	-----	-----	-----	-----	-----

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?
							Yes No
(1)	LEARNING ALLY, INC. 1844-C WEST 11TH STREET UPLAND, CA 91786 95-1980926	VIS/AUD SVCS	CA	501 (C) (3)	7	LA	X
(2)	LEARNING ALLY, INC. 3500 REMSON COURT CHARLOTTEVILLE, VA 22901 54-0684414	VIS/AUD SVCS	VA	501 (C) (3)	7	LA	X
(3)	LEARNING ALLY, INC. 205 BADGER ROAD OAK RIDGE, TN 37830 62-0644866	VIS/AUD SVCS	TN	501 (C) (3)	7	LA	X
(4)	LEARNING ALLY, INC. 545 FIFTH AVENUE SUITE 1005 NEW YORK, NY 10017 91-1960392	VIS/AUD SVCS	NY	501 (C) (3)	7	LA	X
(5)	LEARNING ALLY, INC. 55 PITTSFIELD ROAD LENOX, MA 01240 04-2235137	VIS/AUD SVCS	MA	501 (C) (3)	7	LA	X
(6)	LEARNING ALLY, INC. 5225 WISCONSIN AVE NW STE 312 WASHINGTON, DC 20015 52-1124361	VIS/AUD SVCS	DC	501 (C) (3)	7	LA	X
(7)	LEARNING ALLY, INC. 5022 HOLLYWOOD BOULEVARD LOS ANGELES, CA 90027 95-1942111	VIS/AUD SVCS	CA	501 (C) (3)	7	LA	X

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Schedule R (Form 990) 2010

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SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

LEARNING ALLY, INC

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public
Inspection

Employer identification number
13-1659345

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

	(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)	-----					
(2)	-----					
(3)	-----					
(4)	-----					
(5)	-----					
(6)	-----					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
							Yes	No
(1)	LEARNING ALLY, INC. 2067 MASSACHUSETTS AVENUE CAMBRIDGE, MA 02140	VIS/AUD SVCS	MA	501 (C) (3)	7	LA		X
(2)	LEARNING ALLY, INC. 180 N MICHIGAN STE 620 CHICAGO, IL 60601	VIS/AUD SVCS	IL	501 (C) (3)	7	LA		X
(3)	LEARNING ALLY, INC. 180 N MICHIGAN AVE STE 620 CHICAGO, IL 60601	VIS/AUD SVCS	IL	501 (C) (3)	7	LA		X
(4)	LEARNING ALLY, INC. 3627 E INDIAN SCH RD STE 108 PHOENIX, AZ 85018	VIS/AUD SVCS	AZ	501 (C) (3)	7	LA		X
(5)	LEARNING ALLY, INC. 69 MAPLETON ROAD PRINCETON, NJ 08540	VIS/AUD SVCS	NJ	501 (C) (3)	7	LA		X
(6)	LEARNING ALLY, INC. 2445 FABER PLACE SUITE 103 PALO ALTO, CA 94303	VIS/AUD SVCS	CA	501 (C) (3)	7	LA		X
(7)	LEARNING ALLY, INC. 777 GLADES ROAD BOCA RATON, FL 33431	VIS/AUD SVCS	FL	501 (C) (3)	7	LA		X

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Schedule R (Form 990) 2010

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**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public
Inspection

Name of the organization

LEARNING ALLY, INC

Employer identification number

13-1659345

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

	(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)	-----	-----	-----	-----	-----	-----
(2)	-----	-----	-----	-----	-----	-----
(3)	-----	-----	-----	-----	-----	-----
(4)	-----	-----	-----	-----	-----	-----
(5)	-----	-----	-----	-----	-----	-----
(6)	-----	-----	-----	-----	-----	-----

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
							Yes	No
(1)	LEARNING ALLY, INC. 215 W CHURCH ROAD SUITE 111 KING OF PRUSSIA, PA 19406	VIS/AUD SVCS	PA	501 (C) (3)	7	LA		X
(2)	LEARNING ALLY, INC. 180 N MICHIGAN AVE STE 620 CHICAGO, IL 60601	VIS/AUD SVCS	IL	501 (C) (3)	7	LA		X
(3)	LEARNING ALLY, INC. 5638 HOLLISTER AVE SUITE 210 GOLETA, CA 93117	VIS/AUD SVCS	CA	501 (C) (3)	7	LA		X
(4)	LEARNING ALLY, INC. 1355 S COLORADO BLVD STE C-406 DENVER, CO 80222	VIS/AUD SVCS	CO	501 (C) (3)	7	LA		X
(5)	LEARNING ALLY, INC. 2067 MASSACHUSETTS AVENUE CAMBRIDGE, MA 02140	VIS/AUD SVCS	MA	501 (C) (3)	7	LA		X
(6)	LEARNING ALLY, INC. 1314 W 45TH STREET AUSTIN, TX 78756	VIS/AUD SVCS	TX	501 (C) (3)	7	LA		X
(7)	LEARNING ALLY, INC. 120 FLORIDA AVENUE ATHENS, GA 30605	VIS/AUD SVCS	GA	501 (C) (3)	7	LA		X

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Schedule R (Form 990) 2010

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Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) _____												
(2) _____												
(3) _____												
(4) _____												
(5) _____												
(6) _____												
(7) _____												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income		(g) Share of end-of-year assets	(h) Percentage ownership
					Yes	No		
(1) _____								
(2) _____								
(3) _____								
(4) _____								
(5) _____								
(6) _____								
(7) _____								

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	☒	☒
b Gift, grant, or capital contribution to other organization(s)	☒	☒
c Gift, grant, or capital contribution from other organization(s)	☒	☒
d Loans or loan guarantees to or for other organization(s)	☒	☒
e Loans or loan guarantees by other organization(s)	☒	☒
f Sale of assets to other organization(s)	☒	☒
g Purchase of assets from other organization(s)	☒	☒
h Exchange of assets	☒	☒
i Lease of facilities, equipment, or other assets to other organization(s)	☒	☒
j Lease of facilities, equipment, or other assets from other organization(s)	☒	☒
k Performance of services or membership or fundraising solicitations for other organization(s)	☒	☒
l Performance of services or membership or fundraising solicitations by other organization(s)	☒	☒
m Sharing of facilities, equipment, mailing lists, or other assets	☒	☒
n Sharing of paid employees	☒	☒
o Reimbursement paid to other organization for expenses	☒	☒
p Reimbursement paid by other organization for expenses	☒	☒
q Other transfer of cash or property to other organization(s)	☒	☒
r Other transfer of cash or property from other organization(s)	☒	☒

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	LEARNING ALLY - STUDIO LOCATIONS	M	5,174,353.	DIRECT COST
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

	(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
				Yes	No		Yes	No		Yes	No
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
(11)											
(12)											
(13)											
(14)											
(15)											
(16)											

Schedule R (Form 990) 2010

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).