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Form 990  Department of the Treasury Internal Revenue Service	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) ▶ The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047 2010 Open to Public Inspection
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A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011		
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization RESEARCH FOR ACTION INC	D Employer identification number 23-2710950
	Doing Business As	E Telephone number (215) 823-2500
	Number and street (or P O box if mail is not delivered to street address) 3701 CHESTNUT ST FL 6 WEST INTL HOUSE	Room/suite
	G Gross receipts \$ 4,740,757	
	City or town, state or country, and ZIP + 4 PHILADELPHIA, PA 19104	
	F Name and address of principal officer KATE SHAW 3701 CHESTNUT ST FL 6 WEST INTL HOUSE PHILADELPHIA, PA 19104	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ RESEARCHFORACTION.ORG		

K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	L Year of formation 1993	M State of legal domicile PA
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Part I	Summary
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Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO ENGAGE IN RESEARCH TO ENSURE EQUITABLE EDUCATIONAL OPPORTUNITIES AND OUTCOMES FOR ALL CHILDREN		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	13
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	25	
6 Total number of volunteers (estimate if necessary)	6	12	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	
b 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)	302,434	3,923,550
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	658,523	802,227
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	774	1,080
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	21,532	13,900
		983,263	4,740,757
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	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)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶79,817		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	1,172,306	1,939,599
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,172,306	1,939,599
	19 Revenue less expenses Subtract line 18 from line 12	-189,043	2,801,158
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	733,075	3,699,874
	21 Total liabilities (Part X, line 26)	84,938	250,579
	22 Net assets or fund balances Subtract line 21 from line 20	648,137	3,449,295

Part II	Signature Block
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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	2011-11-02 Date			
	KATE SHAW EXECUTIVE DIRECTOR Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name DAVID A PRICE	Preparer's signature DAVID A PRICE	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ MARCUM LLP				Firm's EIN ▶
	Firm's address ▶ 3 BALA PLAZA EAST SUITE 700 BALA CYNWYD, PA 19004				Phone no ▶ (484) 270-2500

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

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No

1

Briefly describe the organization's mission

TO ENGAGE IN RESEARCH TO ENSURE EQUITABLE EDUCATIONAL OPPORTUNITIES AND OUTCOMES FOR ALL CHILDREN

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization's three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 1,625,863 including grants of \$) (Revenue \$ 4,740,757)

TO ENGAGE IN RESEARCH TO ENSURE EQUITABLE EDUCATIONAL OPPORTUNITIES AND OUTCOMES FOR ALL CHILDREN

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 \$ 1,625,863

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	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2	Yes
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	No
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	No
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	No
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	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
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	No
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	No
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	Yes
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	No
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	No
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	No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e	No
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	Yes
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	Yes
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	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
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	No
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 U S ? If "Yes," complete Schedule F, Parts II and IV	15	No
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 U S ? If "Yes," complete Schedule F, Parts III and IV	16	No
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	No
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	No
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	No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement 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)

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		No
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		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 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		No
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a		No
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		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
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		No
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		No
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		No
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		No
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		No
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		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
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		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
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		No
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		No
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		No
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
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> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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		No
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		No
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	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance					
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>					
			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	9		
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	Yes		
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	25		
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	Yes		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a			No
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			No
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			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
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			No
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			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
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			
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			
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?					
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					
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b			No

Part VI

Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 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 ☒

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	1a 13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 12		
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		No
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		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
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		No

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		No
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		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
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	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b		No
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		No
13	Does the organization have a written whistleblower policy?	13		No
14	Does the organization have a written document retention and destruction policy?	14		No
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	Yes	
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)	15b	Yes	
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		No
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 PA , NY
18	Section 6104 requires an organization to make its Form 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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization JUDY ADAMSON ADDRESS ON RECORD PHILADELPHIA, PA 19104 (215) 823-2500

Part VII

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

Check 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, and **current** key employees. 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) IRV ACKELSBERG BOARD MEMBER		X						0	0	0
(2) JONI E FINNEY BOARD MEMBER		X						0	0	0
(3) MARTY GOLDENSOHN BOARD MEMBER		X						0	0	0
(4) HEATHER HARDING BOARD MEMBER		X						0	0	0
(5) GERMAINE INGRAM BOARD MEMBER		X						0	0	0
(6) MIKE JOHANEK BOARD MEMBER		X						0	0	0
(7) PESHE KURILOFF BOARD MEMBER		X						0	0	0
(8) JAMES H LYTLE BOARD MEMBER		X						0	0	0
(9) SHARON M RAVITCH PHD BOARD MEMBER		X						0	0	0
(10) JOEL STEIKER BOARD MEMBER		X						0	0	0
(11) CONSTANCIA WARREN BOARD MEMBER		X						0	0	0
(12) DEBRA WEINER BOARD MEMBER		X						0	0	0
(13) KATE SHAW EXECUTIVE DIRECTOR	40.00			X		X		125,000	0	0
(14) JUDY ADAMSON CFO	40.00			X				72,000	0	0

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	197,000	0	0

2 Total number of individuals (including but not limited to those l
\$100,000 in reportable compensation from the organization. 1

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
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? <i>If "Yes," complete Schedule J for such individual</i>	4	No
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

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

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 0

Part VIII

Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations 1d					
	e Government grants (contributions) 1e					
	f All other contributions, gifts, grants, and similar amounts not included above 1f		3,923,550			
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f ▶		3,923,550			
	Program Service Revenue			Business Code		
2a RESEARCH CONTRACTS		802,227	802,227			
b						
c						
d						
e						
f All other program service revenue						
g Total. Add lines 2a-2f ▶		802,227				
Other Revenue	3 Investment income (including dividends, interest and other similar amounts) ▶		1,080			1,080
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties ▶					
			(i) Real	(ii) Personal		
	6a Gross Rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶					
			(i) Securities	(ii) Other		
	7a Gross amount from sales of assets other than inventory					
	b Less cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) ▶					
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b Less direct expenses b					
	c Net income or (loss) from fundraising events . . ▶					
	9a Gross income from gaming activities See Part IV, line 19 . . a					
	b Less direct expenses b					
	c Net income or (loss) from gaming activities . . ▶					
	10a Gross sales of inventory, less returns and allowances a					
b Less cost of goods sold b						
c Net income or (loss) from sales of inventory . . ▶						
Miscellaneous Revenue		Business Code				
11a OTHER			13,900			13,900
b						
c						
d All other revenue						
e Total. Add lines 11a-11d ▶			13,900			
12 Total revenue. See Instructions ▶			4,740,757	802,227	0	14,980

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				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages				
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits				
10	Payroll taxes				
a	Fees for services (non-employees)				
	Management				
b	Legal				
c	Accounting				
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other				
12	Advertising and promotion				
13	Office expenses				
14	Information technology				
15	Royalties				
16	Occupancy				
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization				
23	Insurance				
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	SEE ATTACHED SCHEDULE	1,939,599	1,625,863	233,919	79,817
b					
c					
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	1,939,599	1,625,863	233,919	79,817
26	Joint costs. Check here <input type="checkbox"/> 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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			25,111	1	1,252,411
	2	Savings and temporary cash investments			270,223	2	80,309
	3	Pledges and grants receivable, net			141,524	3	1,990,820
	4	Accounts receivable, net			234,540	4	266,042
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees <i>Complete Part II of Schedule L</i>				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) <i>Schedule L</i>				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges			11,807	9	23,474
	10a	Land, buildings, and equipment <i>cost or other basis Complete Part VI of Schedule D</i>	10a	326,194			
	b	Less accumulated depreciation	10b	245,459	43,787	10c	80,735
	11	Investments—publicly traded securities				11	
	12	Investments—other securities <i>See Part IV, line 11</i>				12	
	13	Investments—program-related <i>See Part IV, line 11</i>				13	
	14	Intangible assets				14	
	15	Other assets <i>See Part IV, line 11</i>			0	15	6,083
	16	Total assets. Add lines 1 through 15 (must equal line 34)			733,075	16	3,699,874
Liabilities	17	Accounts payable and accrued expenses			32,461	17	46,313
	18	Grants payable				18	
	19	Deferred revenue			52,477	19	104,266
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability <i>Complete Part IV of Schedule D</i>				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	100,000
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities <i>Complete Part X of Schedule D</i>				25	
	26	Total liabilities. Add lines 17 through 25			84,938	26	250,579
Net Assets or Fund Balances		Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets			253,281	27	267,176
	28	Temporarily restricted net assets			394,856	28	3,182,119
	29	Permanently restricted net assets				29	
		Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			648,137	33	3,449,295
	34	Total liabilities and net assets/fund balances			733,075	34	3,699,874

Part XI

Reconciliation of Net Assets

Check 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	4,740,757
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,939,599
3	Revenue less expenses Subtract line 2 from line 1	3	2,801,158
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	648,137
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0
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	3,449,295

Part XII

Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII ☐

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 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	Yes	
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 <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated 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?		No
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		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2010

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
RESEARCH FOR ACTION INC

Employer identification number
23-2710950

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 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)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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	
Total									

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

Cat No 11285F

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.")	1,193,943	726,868	1,325,843	1,001,859	4,739,674	8,988,187
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	1,193,943	726,868	1,325,843	1,001,859	4,739,674	8,988,187
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)						4,696,526
6 Public Support. Subtract line 5 from line 4						4,291,661

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	1,193,943	726,868	1,325,843	1,001,859	4,739,674	8,988,187
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	11,221	13,614	7,544	3,774	1,080	37,233
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)						
11 Total support (Add lines 7 through 10)						9,025,420
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 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	47 550 %
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	66 650 %
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 the 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 ▶		

Part IIISupport 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. Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

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
RESEARCH FOR ACTION INC

Employer identification number

23-2710950

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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may 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 <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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) <div><input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure) <input type="checkbox"/> Preservation of an historically importantly land area</div> <div><input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure</div> <div><input type="checkbox"/> Preservation of open space</div>											
2	Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year											
		<table><tr><td></td><td>Held at the End of the Year</td></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table>		Held at the End of the Year	a	Total number of conservation easements	b	Total acreage restricted by conservation easements	c	Number of conservation easements on a certified historic structure included in (a)	d	Number of conservation easements included in (c) acquired after 8/17/06
	Held at the End of the Year											
a	Total number of conservation easements											
b	Total acreage restricted by conservation easements											
c	Number of conservation easements on a certified historic structure included in (a)											
d	Number of conservation easements included in (c) acquired after 8/17/06											
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
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)? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
9	In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements											

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

Part III

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

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
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 the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

(ii)

related organizations

b

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

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

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		85,497	76,255	9,242
d Equipment		175,895	120,500	55,395
e Other		64,802	48,704	16,098
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				80,735

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	14,740,757
2	Total expenses (Form 990, Part IX, column (A), line 25)	1,939,599
3	Excess or (deficit) for the year Subtract line 2 from line 1	2,801,158
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	
9	Total adjustments (net) Add lines 4 - 8	0
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	2,801,158

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	14,740,757
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e	0
3	Subtract line 2e from line 13	4,740,757
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 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c	0
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)5	4,740,757

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1,939,599
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e	0
3	Subtract line 2e from line 13	1,939,599
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 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c	0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)5	1,939,599

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, 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.

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	GENERALLY ACCEPTED ACCOUNTING PRINCIPLES REQUIRED TA EFFECTS FROM AN UNCERTAIN TAX POSITION TO 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. IF AN UNCERTAIN TAX POSITION MEETS THE MORE-LIKELY-THAN-NOT THRESHOLD, THE LARGEST AMOUNT OF TAX BENEFIT THAT IS GREATER THAN 50% LIKELY TO BE RECOGNIZED UPON ULTIMATE SETTLEMENT WITH THE TAXING AUTHORITY IS RECORDED. THE ORGANIZATION PRIMARY TAX POSITIONS RELATE TO ITS STATUS AS A NOT-FOR-PROFIT ENTITY EXEMPT FROM INCOME TAXES AND CLASSIFICATION OF ACTIVITIES RELATED TO ITS EXEMPT PURPOSE. MANAGEMENT HAS EVALUATED THE TAX POSITIONS REFLECTED IN THE ORGANIZATION'S TAX FILINGS AND DOES NOT BELIEVE THAT ANY MATERIAL UNCERTAIN TAX POSITIONS EXIST.

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization RESEARCH FOR ACTION INC	Employer identification number 23-2710950
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Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE ORGANIZATION REVIEWS THE FORM 990 BEFORE MAILING IT

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS SETS THE SALARY FOR THE EXECUTIVE DIRECTOR THE EXECUTIVE DIRECTOR SETS THE SALARIES FOR THE ORGANIZATION'S EMPLOYEES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	UPON REQUEST, THE ORGANIZATION WILL MAKE AVAILABLE TO THE PUBLIC ITS DOCUMENTS

RESEARCH FOR ACTION, INC.
(a Non-Profit Organization)

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

RESEARCH FOR ACTION, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors

Research for Action, Inc.

We have audited the accompanying statement of financial position of Research for Action, Inc. (a non-profit organization) as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Research for Action, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Bala Cynwyd, PA
October 7, 2011

RESEARCH FOR ACTION, INC.**(a Non-Profit Organization)****STATEMENTS OF FINANCIAL POSITION****JUNE 30, 2011 AND 2010**

	2011	2010
Assets		
Current Assets		
Cash	\$ 1,332,720	\$ 295,334
Contracts receivable	266,042	234,540
Foundation grants receivable	1,990,820	141,524
Prepaid expenses	23,474	11,807
Total Current Assets	<u>3,613,056</u>	<u>683,205</u>
Furniture, Equipment and Leasehold Improvements, Net	<u>80,735</u>	<u>43,787</u>
Deposits	<u>6,083</u>	<u>6,083</u>
Total Assets	<u><u>\$ 3,699,874</u></u>	<u><u>\$ 733,075</u></u>
Liabilities and Net Assets		
Current Liabilities		
Note payable, bank	\$ 100,000	\$ --
Accounts payable and accrued expenses	46,313	32,461
Deferred revenue	104,266	52,477
Total Current Liabilities	<u>250,579</u>	<u>84,938</u>
Net Assets		
Unrestricted	267,176	253,281
Temporarily restricted	3,182,119	394,856
Total Net Assets	<u>3,449,295</u>	<u>648,137</u>
Total Liabilities and Net Assets	<u><u>\$ 3,699,874</u></u>	<u><u>\$ 733,075</u></u>

See accompanying notes and independent auditors' report.

RESEARCH FOR ACTION, INC.
(a Non-Profit Organization)

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Contract revenue	\$ 802,227		\$ 802,227
Foundation grants		\$ 3,923,550	3,923,550
Other	14,980		14,980
Net assets released from restriction	<u>1,136,287</u>	<u>(1,136,287)</u>	<u>--</u>
Total Support and Revenue	<u>1,953,494</u>	<u>2,787,263</u>	<u>4,740,757</u>
Expenses			
Program services	1,625,863		1,625,863
Administrative	233,919		233,919
Fundraising	<u>79,817</u>		<u>79,817</u>
Total Expenses	<u>1,939,599</u>		<u>1,939,599</u>
Change in Net Assets	13,895	2,787,263	2,801,158
Net Assets - Beginning	<u>253,281</u>	<u>394,856</u>	<u>648,137</u>
Net Assets - Ending	<u>\$ 267,176</u>	<u>\$ 3,182,119</u>	<u>\$ 3,449,295</u>

See accompanying notes and independent auditors' report.

RESEARCH FOR ACTION, INC.
(a Non-Profit Organization)

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Contract revenue	\$ 658,523		\$ 658,523
Foundation grants		\$ 302,434	302,434
Other	3,773	18,533	22,306
Net assets released from restriction	<u>529,705</u>	<u>(529,705)</u>	<u>--</u>
Total Support and Revenue	<u>1,192,001</u>	<u>(208,738)</u>	<u>983,263</u>
Expenses			
Program services	967,827		967,827
Administrative	153,673		153,673
Fundraising	<u>50,806</u>		<u>50,806</u>
Total Expenses	<u>1,172,306</u>		<u>1,172,306</u>
Change in Net Assets	19,695	(208,738)	(189,043)
Net Assets - Beginning	<u>233,586</u>	<u>603,594</u>	<u>837,180</u>
Net Assets - Ending	<u><u>\$ 253,281</u></u>	<u><u>\$ 394,856</u></u>	<u><u>\$ 648,137</u></u>

See accompanying notes and independent auditors' report.

RESEARCH FOR ACTION, INC.
(a Non-Profit Organization)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 2,801,158	\$ (189,043)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	27,186	14,910
Changes in operating assets and liabilities:		
Contracts receivable	(31,502)	5,306
Foundation grants receivable	(1,849,296)	335,976
Prepaid expenses	(11,667)	7,147
Accounts payable and accrued expenses	13,852	8,246
Deferred revenue	<u>51,789</u>	<u>(3,351)</u>
Net Cash Provided by Operating Activities	<u>1,001,520</u>	<u>179,191</u>
Cash Flows Used in Investing Activities		
Purchases of furniture, equipment and leasehold improvements	<u>(64,134)</u>	<u>(24,764)</u>
Cash Flow Provided by Financing Activities:		
Note payable	<u>100,000</u>	<u>--</u>
Net Increase in Cash	1,037,386	154,427
Cash - Beginning	<u>295,334</u>	<u>140,907</u>
Cash - Ending	<u><u>\$ 1,332,720</u></u>	<u><u>\$ 295,334</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the years for:

Interest	\$ 748	\$ 923
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Non-cash investing activities:

During 2010, the Organization entered into a computer software financing arrangement. As of June 30, 2011 and 2010, there was approximately \$-- and \$10,600, respectively, included in accounts payable relating to this arrangement.

See accompanying notes and independent auditors' report.

RESEARCH FOR ACTION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Research for Action, Inc. (the "Organization"), a non-profit Organization formed in February 1993, is engaged in research to ensure equitable educational opportunities and outcomes for all learners. The Organization's revenue is primarily from local and national contracts with not-for-profit organizations and school districts and research grants from foundations involved in public education.

BASIS OF PRESENTATION

The Organization's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Permanently restricted net assets result from contributions which are restricted by donor imposed stipulations that neither expire by the passage of time nor can be removed by the Board of Directors.

Temporarily restricted net assets include contributions which are restricted as to use by the donor. When a donor restriction expires, that is, when a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statements of activities.

Unrestricted net assets include all other operating activities of the Organization.

CONTRIBUTIONS

Contributions, including unconditional promises to give, are recognized in the period received. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets, depending upon the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose of the restriction is accomplished), temporarily restricted net assets are transferred to unrestricted net assets. Generally, restrictions on net assets are considered to have been met evenly over the grant period to approximate the period when services are provided.

RESEARCH FOR ACTION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROMISES TO GIVE (FOUNDATION GRANTS RECEIVABLE AND CONTRACTS RECEIVABLE)

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give are recognized as assets and revenues in the period received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. As of June 30, 2011 and 2010, all promises to give are due within one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Management provides an allowance for uncollectible promises to give based on its assessment of the current status of individuals' promises to give. When collection efforts have been exhausted, the accounts are written off. As of June 30, 2011 and 2010, an allowance was not warranted.

CONTRACTS RECEIVABLE

Contracts receivable are stated at the amount management expects to collect from outstanding balances. The Company considers contracts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible they will be charged to operations when that determination is made.

FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment and leasehold improvements are carried at cost. Depreciation and amortization are computed using the straight-line method over an estimated useful life of three to seven years. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Minor equipment purchases are expensed in the period they are acquired.

	Estimated Useful Lives
Office equipment	3-7 years
Furniture and fixtures	2-7 years
Leasehold improvements	4-5 years

RESEARCH FOR ACTION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRACT REVENUE RECOGNITION

Contract revenue is recognized on the percentage of completion method, measured by the percentage of total costs incurred to date, to estimated total costs for each contract. This method is used because management considers total costs to be the best measure of progress for these contracts. All billings in excess of costs are shown on the statements of financial position as deferred revenue, net of costs in excess of billings.

FUNCTIONAL EXPENSES

Expenses are charged to each program based on direct expenditures incurred. Expenditures not directly chargeable to programs are allocated to a program based primarily on related personnel time incurred.

INCOME TAXES

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) except for income taxes pertaining to unrelated business income. There was no unrelated business income for fiscal years ended June 30, 2011 and 2010. Therefore, no provision for income taxes is reflected in these financial statements.

Generally accepted accounting principles required tax effects from an uncertain tax position to 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. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Organization primary tax positions relate to its status as a not-for-profit entity exempt from income taxes and classification of activities related to its exempt purpose. Management has evaluated the tax positions reflected in the Organization's tax filings and does not believe that any material uncertain tax positions exist.

The Organization federal exempt organization tax returns for the years ended June 30, 2008, 2009 and 2010 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

RESEARCH FOR ACTION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

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

CONTRACTUAL ADJUSTMENTS

Certain contracts and grants that fund the Organization's programs contain provisions defining costs that are allowable and reimbursable for the program. These program billings are subject to audit by various governmental funding sources. The audit of these billings may result in adjustments for expense disallowances. It is the Organization's practice to provide for such adjustments at the time that they are reasonably estimable.

NOTE 2 - CONCENTRATIONS

CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company maintains cash and cash equivalents in one bank account that at times exceed applicable insurance limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Company reduces its exposure to credit risk by maintaining such deposits with high quality financial institutions. The Company has not experienced any losses in such accounts.

SIGNIFICANT CONTRACTS

A significant portion of the Organization's revenue and accounts receivable are to a limited number of contractors and foundation grantors. Revenue as a percentage of total net revenue and accounts receivable as a total of net accounts receivable were as follows for significant contracts and foundation grants at June 30, 2011 and 2010 and during the year ended June 30, 2011 and 2010:

RESEARCH FOR ACTION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 2 – CONCENTRATIONS (CONTINUED)

SIGNIFICANT CONTRACTS (CONTINUED)

	<u>Contract Revenue</u>		<u>Contracts Receivable</u>	
	2011	2010	2011	2010
Contractor A	37%	--	16%	--
Contractor B	--	12%	--	11%
Contractor C	--	14%	--	--
Contractor D	--	14%	--	26%
Contractor E	--	13%	--	--

	<u>Foundation Grant Revenue</u>		<u>Foundation Grants Receivable</u>	
	2011	2010	2011	2010
Grantor A	47%	--	93%	--
Grantor A	--	27%	--	--
Grantor B	--	20%	--	42%
Grantor C	--	33%	--	53%

NOTE 3 - FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment and leasehold improvements consist of the following:

	2011	2010
Office equipment	\$175,895	\$142,860
Furniture and fixtures	64,802	54,819
Leasehold improvements	<u>85,497</u>	<u>74,934</u>
	326,194	272,613
Less: Accumulated depreciation	<u>245,459</u>	<u>228,826</u>
Furniture, Equipment and Leasehold Improvements, net	<u>\$ 80,735</u>	<u>\$ 43,787</u>

Depreciation expense of furniture, equipment and leasehold improvements was \$27,186 and \$14,910 for the years ended June 30, 2011 and 2010, respectively.

NOTE 4 - NOTE PAYABLE, BANK

The Organization has available a line of credit of \$100,000, which expires September 2011, with a bank that bears interest at 1% above the bank's prime rate. As of June 30, 2011, there was an outstanding borrowing of \$100,000. As of June 30, 2010, there were no outstanding borrowings.

RESEARCH FOR ACTION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 5 - COMMITMENTS

The Organization conducts its operations from a facility that is leased under an operating lease that started in July 2011, and expires in June 2014, with minimum monthly payments of \$4,519 in 2010 and \$4, 857 in 2011. The previous lease expired June 2011 and had a monthly payment of \$3,565. The Organization also leases equipment under an agreement that expires in 2015. The minimum monthly payment is \$1,191.

Rent expense totaled approximately \$64,000 in 2011 and \$62,000 in 2010.

The approximate future minimum lease payments are as follows:

For the Year Ending June 30,	Amount
2012	\$110,000
2013	119,000
2014	122,000
2015	<u>16,000</u>
Total	<u>\$367,000</u>

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted by the donors for ongoing research projects and a summer fellowship.

NOTE 7 - RELATED PARTIES

One board member is an employee of the Organization as of June 30, 2011 and 2010.

NOTE 8 - EMPLOYEE RETIREMENT PLAN

The Organization has a 403(b) plan for its employees who may contribute a percentage of their salary, up to federal limits. The Organization matching contributions are 50% of an employee's contribution and, after two years of service, 2% of an employee's salary. The maximum matching contribution is 4% of an employee's salary. The approximate total contribution in 2011 and 2010 was \$25,500 and \$24,500, respectively.

RESEARCH FOR ACTION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 7, 2011, the date the financial statements were available to be issued and identified no such events, which require recognition or disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Research for Action, Inc.

We have audited the financial statements of Research for Action, Inc. as of and for the year ended June 30, 2011 and have issued our report thereon dated October 7, 2011 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Functional Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The prior year summarized comparative information has been derived from the Organization's 2010 financial statements.

Bala Cynwyd, PA
October 7, 2011

RESEARCH FOR ACTION, INC.
(a Non-Profit Organization)

SCHEDULES OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2011

	2011			2010	
	Program Services	Administrative	Fundraising	Total Expenses	Total Expenses
Payroll	\$ 898,339	\$ 155,268	\$ 55,454	\$ 1,109,061	\$ 653,012
Payroll taxes and benefits	190,075	32,852	11,733	234,660	152,676
	<u>1,088,414</u>	<u>188,120</u>	<u>67,187</u>	<u>1,343,721</u>	<u>805,688</u>
Research associates	288,980			288,980	105,725
Research stipends	11,718			11,718	1,475
Advertising	2,253			2,253	3,296
Computer software and support	13,683	2,365	844	16,892	20,051
Consultants		3,565	2,000	5,565	59,338
Copying, printing, design, editor	31,432	5,433	1,940	38,805	25,364
Depreciation	22,020	3,806	1,360	27,186	14,910
Development expenses	547			547	557
Dues and subscriptions	1,009			1,009	917
Equipment rental	4,636	801	287	5,724	10,383
Insurance, other	5,869	1,014	363	7,246	7,664
Interest expense		748		748	923
Meetings and conferences	4,505	3,232		7,737	4,436
Miscellaneous	697	1,023		1,720	943
Office	5,390	932	332	6,654	7,550
Postage	2,349	1,596		3,945	3,946
Professional services	21,017	3,633	1,297	25,947	15,500
Rent	47,213	8,160	2,914	58,287	51,328
Supplies	18,346	3,171	1,132	22,649	7,985
Telephone	400	4,045	161	4,606	4,590
Travel	55,385	2,275	--	57,660	19,737
	<u>\$ 1,625,863</u>	<u>\$ 233,919</u>	<u>\$ 79,817</u>	<u>\$ 1,939,599</u>	<u>\$ 1,172,306</u>

See accompanying notes and independent auditors' report on supplementary information.