BESTPREP
BROOKLYN PARK, MINNESOTA

FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017

SMITH•SCHAFER
& ASSOCIATES, LTD.
Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
BestPrep
Brooklyn Park, Minnesota

We have audited the accompanying financial statements of BestPrep (a nonprofit organization), which comprise the statement of financial position as of August 31, 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of BestPrep as of August 31, 2018, and the change in its net assets, its functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited BestPrep's financial statements for the fiscal year ended August 31, 2017 and we expressed an unmodified opinion on those audited financial statements in our report dated November 28, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Smith, Schafer and Associates, Ltd.

Minneapolis, Minnesota
October 31, 2018

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STATEMENTS OF FINANCIAL POSITION
August 31, 2018 and 2017

ASSETS	2018	2017
Current Assets		
Cash and cash equivalents	$ 467,840	$ 780,813
Certificates of deposit (Note 2)	200,000	100,000
Contributions and fees receivable	234,950	173,079
Prepaid expenses	21,835	34,180
Total Current Assets	924,625	1,088,072
Furniture, Equipment and Computer Software		
Furniture, equipment and computer software	115,566	85,442
Less: Accumulated depreciation	93,319	76,807
Furniture, Equipment and Computer Software, net	22,247	8,635
Other Assets		
Long-term contributions receivable	1,000	111,334
Certificates of deposit (Note 2)	200,366	-
Total Other Assets	201,366	111,334
TOTAL ASSETS	$ 1,148,238	$ 1,208,041

LIABILITIES AND NET ASSETS	2018	2017
Current Liabilities		
Obligation under line of credit agreement (Note 3)	$ -	$ -
Accounts payable	6,121	18,015
Accrued expenses	45,464	45,835
Deferred revenues	6,900	149,981
Total Current Liabilities	58,485	213,831
Net Assets		
Unrestricted	554,926	542,970
Temporarily restricted (Note 4)	534,827	451,240
Total Net Assets	1,089,753	994,210
TOTAL LIABILITIES AND NET ASSETS	$ 1,148,238	$ 1,208,041

See Notes to Financial Statements

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STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended August 31, 2018
With Comparative Totals for the Year Ended August 31, 2017

			Totals	
	Unrestricted	Temporarily Restricted	2018	2017
Support and Revenues				
Contributions	$ 1,139,216	$ 228,250	$ 1,367,466	$ 1,338,490
Sponsorships, workshops and other revenue	78,938	-	78,938	119,669
In-kind contributions	23,043	-	23,043	25,152
Teacher / student fees	62,820	-	62,820	46,635
Special events, net of direct costs of $289,506 and $113,477 for 2018 and 2017, respectively	189,158	-	189,158	74,429
Interest income	7,879	-	7,879	2,854
Net Assets Released From Restrictions	144,663	(144,663)	-	-
Total Support and Revenues	1,645,717	83,587	1,729,304	1,607,229
Functional Expenses				
Program services	1,326,889	-	1,326,889	1,282,709
Management and general	130,720	-	130,720	116,760
Fundraising	176,152	-	176,152	164,005
Total Functional Expenses	1,633,761	-	1,633,761	1,563,474
Increase in Net Assets	11,956	83,587	95,543	43,755
NET ASSETS, BEGINNING OF YEAR	542,970	451,240	994,210	950,455
NET ASSETS, END OF YEAR	$ 554,926	$ 534,827	$ 1,089,753	$ 994,210

See Notes to Financial Statements

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STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2018
With Comparative Totals for the Year Ended August 31, 2017

	Program Services				
	Classroom Plus	Cloud Coach	eMentors	Financial Matters	Minnesota Business Venture
Salaries and wages	$ 82,195	$ 118,568	$ 209,935	$ 68,317	$ 228,104
Payroll taxes	5,831	7,940	14,541	4,873	15,613
Employee fringe benefits	5,616	9,037	13,022	5,046	17,948
Auto, travel and entertainment	2,240	5,139	7,911	2,170	13,060
Bad debt	-	-	-	-	-
Campus expenses	-	-	-	-	125,162
Depreciation	2,137	1,387	2,804	1,781	4,189
Equipment maintenance	402	289	616	402	972
In-kind expenses	943	499	1,204	935	1,878
Insurance	546	372	792	518	1,229
Promotional materials and videos	1,901	4,308	3,056	2,826	5,237
Meetings	1,345	4,793	1,855	2,595	2,841
Miscellaneous	274	170	358	236	6,351
Office occupancy	9,678	5,272	12,765	9,090	19,876
Postage	583	374	781	536	1,710
Professional services	1,139	605	1,476	1,087	2,294
SMG National Fees	-	-	-	-	-
Staff development and promotions	148	98	207	148	319
Stationary and supplies	1,247	1,188	3,247	1,212	3,541
Technology	3,949	2,611	5,535	3,690	8,561
Telephone	1,797	1,378	3,459	1,630	3,721
T-shirts and awards	-	-	-	-	2,730
TOTAL FUNCTIONAL EXPENSES	$ 121,971	$ 164,028	$ 283,564	$ 107,092	$ 465,336

See Notes to Financial Statements

Program Services					Totals	
Stock Market Game™	Technology Integration Workshop	Total Program Services	Management and General	Fundraising	2018	2017
$ 54,153	$ 38,952	**$ 800,224**	$ 69,664	$ 131,041	**$ 1,000,929**	$ 905,677
3,809	2,748	**55,355**	4,630	8,505	**68,490**	61,962
3,297	1,918	**55,884**	6,127	12,477	**74,488**	70,389
3,564	1,169	**35,253**	2,553	1,447	**39,253**	37,414
-	-	**-**	1,000	-	**1,000**	-
-	36,075	**161,237**	-	-	**161,237**	155,638
1,130	623	**14,051**	960	1,501	**16,512**	12,544
247	141	**3,069**	212	331	**3,612**	4,435
471	321	**6,251**	16,264	528	**23,043**	25,151
321	187	**3,965**	1,741	424	**6,130**	6,381
1,246	1,006	**19,580**	817	1,466	**21,863**	11,795
761	467	**14,657**	635	992	**16,284**	11,335
146	437	**7,972**	120	191	**8,283**	7,679
5,160	3,101	**64,942**	2,814	5,629	**73,385**	57,313
311	192	**4,487**	267	465	**5,219**	10,402
587	381	**7,569**	18,142	5,646	**31,357**	81,154
12,595	-	**12,595**	-	-	**12,595**	24,905
81	53	**1,054**	70	310	**1,434**	5,737
772	862	**12,069**	632	967	**13,668**	11,321
2,892	1,335	**28,573**	2,848	2,942	**34,363**	42,665
975	600	**13,560**	839	1,290	**15,689**	13,664
1,778	34	**4,542**	385	-	**4,927**	5,913
$ 94,296	$ 90,602	**$ 1,326,889**	$ 130,720	$ 176,152	**$ 1,633,761**	$ 1,563,474

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STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2018 and 2017

		2018		2017
Cash Flows From Operating Activities				
Increase in net assets	$	95,543	$	43,755
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation		16,512		12,544
Interest income retained in certificate of deposit		(366)		-
(Increase) Decrease in:				
Contributions and fees receivable		48,463		35,832
Prepaid expenses		12,345		(8,901)
Increase (Decrease) in:				
Accounts payable		(11,894)		259
Accrued expenses		(371)		252
Deferred revenues		(143,081)		141,231
Net Cash Provided By Operating Activities		17,151		224,972
Cash Flows From Investing Activities				
Purchase of certificates of deposit		(400,000)		(100,000)
Maturities of certificates of deposit		100,000		-
Expenditures for furniture, equipment and computer software		(30,124)		(6,494)
Net Cash Used In Investing Activities		(330,124)		(106,494)
Net Increase (Decrease) in Cash and Cash Equivalents		(312,973)		118,478
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		780,813		662,335
CASH AND CASH EQUIVALENTS, END OF YEAR	$	467,840	$	780,813

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1. Description of Organization and Summary of Significant Accounting Policies

Description of Organization and Program Services

BestPrep (the Organization) is a statewide nonprofit that serves more than 55,000 students, 600 teachers and 330 schools in grades 4-12 annually. Each year, BestPrep creates connections between the education and business communities by engaging more than 5,000 volunteers which represents over 68,000 volunteer hours. These individuals conduct presentations in classrooms, serve as faculty-in-residence, email mentor students, and are leaders on committees and the board of directors.

Classroom Plus focuses on educating students on business and career skills. Bridging the gap between lessons learned in the classroom and skills utilized in the workplace, this program brings speakers into classrooms and provides mock interviews, workplace tours, and more. 16,087 students, and 148 teachers in 100 schools were served during the 2017-2018 school year. This effort was accomplished by 635 volunteers contributing over 3,489 hours of volunteer support.

Cloud Coach, the Organization's newest program, is an eight-week one-on-one online mentoring program between students from an entire 9th grade class and mentors from local corporations. Aimed at helping students identify their aspirations and set goals, Cloud Coach takes a directed approach at strengthening student motivation. During the 2017-2018 school year, 1,023 students and 28 teachers from 4 schools participated. 1,097 mentors contributed over 12,758 hours of volunteer support.

eMentors prepare students with the knowledge and skills needed for a career in the professional world. Students increase their knowledge of career options while writing their mentor and through the one-time on-site visit to the mentor's company. The program helps students learn careers skills including writing and communication skills by practicing professional email communication. During the 2017-2018 year, 4,051 and 134 teachers from 79 schools participated. 3,341 volunteers contributed over 43,243 hours of mentor support.

Financial Matters equips students with the tools necessary to develop sound money management skills. Through interactive presentations, industry professionals help students become more financially literate. Available to teachers grades 6-12, the program offers a variety of topics that provide real-life lessons in money management. During the 2017-2018 year, 13,481 students and 156 teachers from 89 schools participated. This effort was accomplished by over 259 volunteers contributing over 1,970 hours of volunteer support.

Minnesota Business Venture ignites students' passion to achieve success and develop career aspirations for the future through a week-long business and career development camp held on a college campus. The program brings together high school students from across the state to work with business leaders and learn about career paths and financial literacy. In 2018, 334 students from 102 schools throughout Minnesota were impacted with the help of 154 volunteers. 41% of the students attending qualified for free/reduced lunch and 59% were students of color.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Description of Organization and Program Services (Continued)

The Stock Market Game™ teaches students about economics, investing, and the importance of a long-term savings strategy. Student teams invest a hypothetical $100,000 in common stocks, bonds, and mutual funds over a 14-week period. The Stock Market Game is a national program administered by the Securities Industry and Financial Markets Association (SIFMA). 8,312 students participated during the 2017-2018 school year.

The Technology Integration Workshop empowers educators with technology tools and business exposure during a four-day summer professional development opportunity. Attendees use new technology tools to update their curriculum. Teachers also participate in a corporate job shadow to better prepare their students with the skills needed in today's workplace. In 2018, 61 educators participated.

Basis of Presentation

Financial statement presentation follows the Financial Accounting Standards Board - Accounting Standards Codification (FASB ASC) 958. Under FASB ASC 958, the Organization is required to report 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. There were no permanently restricted net assets as of August 31, 2018 and 2017.

Basis of Accounting and Revenue Recognition

The Organization maintains its books and records on the accrual basis of accounting. All income and expenses are recorded as they are earned or incurred.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributions and Fees Receivable

The Organization records contributions receivable when an unconditional commitment to contribute has been made by a donor. Such contributions increase unrestricted or temporarily restricted contributions. Contributions deemed not to be collectible are not recorded. Balances that are still outstanding after management has used reasonable collection efforts are written off. Current contributions and fees receivable are expected to be collected within one year of the statement of financial position date. Long-term contributions receivable are expected to be collected from one to five years after the statement of financial position date.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Furniture, Equipment and Computer Software

Furniture, equipment and computer software is carried at the lower of cost or fair value at the time of donation (for in-kind contributions of equipment) and is being depreciated using the straight-line method over the estimated useful lives, generally three years. The Organization's policy is to capitalize and depreciate furniture, equipment and computer software which has a cost in excess of $500 and an estimated useful life of at least one year.

Supplies and Services Donated In-Kind

Donated supplies and services are recorded as in-kind contributions at their estimated fair value on the date received. The value of the contribution of supplies and services is recognized as both revenue and an expense to the Organization. The Organization recognized $23,043 and $25,152 of donated supplies and services for the years ended August 31, 2018 and 2017, respectively.

The Organization recognized the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs and fundraising campaigns, but which do not meet the criteria for financial statement recognition.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

All other contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As a result, the Organization does not pay federal income tax. Therefore no provision or liability for federal income taxes has been included in the financial statements.

Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

The Organization's federal informational returns are subject to examination by the IRS, generally for three years after they were filed.

Fair Value of Financial Instruments

The carrying amount for substantially all assets and liabilities approximates fair value due to the immediate or short-term maturity of these financial instruments. See Note 2 for discussion of fair value regarding the Organization's certificates of deposit.

Concentration of Credit Risks

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. The Organization keeps its cash and cash equivalents with high quality financial institutions. At times, balances maintained at these financial institutions may exceed the federally insured limit. As of August 31, 2018 and 2017, there were no cash balances in excess of the federally insured limit.

Management routinely assesses the financial strength of its customers and donors and as a consequence, believes that receivables credit risk exposure is limited.

Functional Allocation of Expenses

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

Use of Estimates

The preparation 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Prior Year Comparative Totals

The financial statements include certain prior year summarized comparative financial information in total, but not net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended August 31, 2017, from which the summarized information was derived.

Reclassifications

Certain minor reclassifications have been made to the 2017 financial statements to conform to the presentation used in the 2018 financial statements.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 31, 2018, the date the financial statements were available to be issued.

Accounting Pronouncements Issued But Not Yet Effective

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which supersedes most of the current revenue recognition requirements. However, contribution revenue is not included in the scope of the guidance. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The guidance is currently effective for the Organization for the year ending August 31, 2020. The guidance permits the use of either a retrospective or cumulative effect transition method. The impact of the adoption of this pronouncement has not yet been determined.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Accounting Pronouncements Issued But Not Yet Effective (Continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statements of financial position for leases with terms exceeding twelve months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Organization for the year ending August 31, 2021. Early adoption is permitted. The impact of the adoption of this pronouncement has not yet been determined.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment return, and cash flows. The guidance replaces the three classes of net assets currently presented on the statement of financial position with two new classes of net assets, which are based on the existence or absence of donor-imposed restrictions. ASU No. 2016-14 includes specific disclosure requirements intended to improve a financial statement user's ability to assess an entity's available financial resources, along with its management of liquidity and liquidity risk. The guidance requires all not-for-profit entities to present expenses by both their natural and functional classification in a single location in the financial statements. ASU No. 2016-14 is effective for the Organization for the year ending August 31, 2019. Entities are required to adopt the guidance retrospectively, but if comparative financial statements are presented, they have the option to omit certain information for any periods presented that are prior to the period of adoption. The impact of the adoption of this pronouncement is described below:

Activities and Net Assets: Activities will be presented to distinguish revenues and expenses with donor restrictions from revenues and expenses without donor restrictions. Net assets will be reclassified and presented as net assets with donor restrictions and net assets without donor restrictions. Net assets with donor restrictions will be subtotaled by each type of donor restriction. Net assets without restrictions will be presented as board designated net assets, if any, and undesignated net assets. Prior periods presented will be reclassified to conform with the adopted standard.

Liquidity and Availability: Management will include a financial statement footnote illustrating the Organization’s asset liquidity and availability. This footnote will outline the Organization’s liquidity management policies and calculate financial assets at year end available to meet cash needs for general expenditures within one year.

2. Fair Value Measurements

Accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2018 and 2017.

Certificates of deposit: Certificates of deposit are reported at fair value based on the quoted market price of the certificates or similar assets, by the Organization's financial institutions.

The methods previously described may produce fair values that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

2. Fair Value Measurements

The following tables reflect the Organization's investments within the fair value hierarchy at August 31, 2018 and 2017:

	As of August 31, 2018			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Certificates of deposit	**$ 400,366**	**$ -**	**$ 400,366**	**$ -**

	As of August 31, 2017			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Certificates of deposit	$ 100,000	$ -	$ 100,000	$ -

3. Line of Credit Agreement

The Organization had a line of credit agreement with its bank, which allowed for borrowings up to $200,000. The line, which matured on January 5, 2018, had a variable interest rate of 2.0% over the bank's prime rate, but never less than 5.0%. The note was secured by substantially all of the Organization's assets. The line was not renewed. There were no outstanding borrowings against the line as of August 31, 2017.

4. Net Assets

Temporarily restricted net assets as of August 31, 2018 and 2017 consisted of the following:

	2018	2017
Time restricted	**$ 449,667**	$ 334,000
Student scholarships	**76,300**	86,300
Program development and expansion	**8,860**	30,940
Total Temporarily Restricted Net Assets	**$ 534,827**	$ 451,240

5. Commitments

The Organization leases office space, an automobile and certain equipment under lease agreements accounted for as operating leases. The terms of the leases call for total monthly payments of approximately $3,900 with expirations ranging from June 2020 to November 2022. The office space lease also requires the Organization to pay its share of real estate taxes and operating costs. Rent expense under the office lease was approximately $37,400 and $36,400 for the years ended August 31, 2018 and 2017, respectively. Other rent expense under the leases was approximately $13,600 and $10,500 for the years ended August 31, 2018 and 2017, respectively.

The Organization's minimum rental commitments under these operating leases as of August 31, 2018 were as follows:

Year Ending August 31,	Totals
2019	$ 51,684
2020	51,612
2021	35,104
2022	903
Total	$ 139,303

6. Special Events

Special events revenue consisted of three major events in the year ended August 31, 2018 and two major events in the year ended August 31, 2017. The Organization sponsors a large educational forum event every other year. The effect on the financial statements during 2018 (an event year) was a decrease in prepaid expenses and deferred revenue of approximately $15,000 and $143,000, respectively, as well as an increase in special events gross revenue and cost of benefit to donors.