Child Mind Institute, Inc.
Financial Statements
(Together with Independent Auditors’ Report)

Years Ended September 30, 2011 and September 30, 2010
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditors' Report</td>
<td>1</td>
</tr>
<tr>
<td>Statements of Financial Position</td>
<td>2</td>
</tr>
<tr>
<td>Statements of Activities</td>
<td>3</td>
</tr>
<tr>
<td>Statements of Functional Expenses</td>
<td>4-5</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>6</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>7-10</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS' REPORT

To the Finance Committee of
Child Mind Institute, Inc.

We have audited the accompanying statement of financial position of Child Mind Institute, Inc. ("CMI") as of September 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of CMI's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Child Mind Institute, Inc. as of September 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.

Mark Paneth & Shron LLP

New York, NY
May 14, 2012
<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (Notes 2C and 10)</td>
<td>$ 5,271,194</td>
<td>$ 4,032,346</td>
</tr>
<tr>
<td>Contributions receivable (Notes 2D, 2F and 3)</td>
<td>1,357,393</td>
<td>1,686,489</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>184,589</td>
<td>197,963</td>
</tr>
<tr>
<td>Security deposits</td>
<td>125,309</td>
<td>125,309</td>
</tr>
<tr>
<td>Property and equipment, net (Notes 2G and 4)</td>
<td>2,448,409</td>
<td>190,417</td>
</tr>
<tr>
<td>Due from related party (Note 5)</td>
<td>410,474</td>
<td>436,006</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$ 9,797,368</strong></td>
<td><strong>$ 6,668,530</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 331,453</td>
<td>$ 144,790</td>
</tr>
<tr>
<td>Accrued salaries and vacation</td>
<td>32,192</td>
<td>8,538</td>
</tr>
<tr>
<td>Deferred rent liability (Note 2M)</td>
<td>23,158</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>386,803</strong></td>
<td><strong>153,328</strong></td>
</tr>
</tbody>
</table>

| NET ASSETS (Note 2B):          |                |                |
| Unrestricted                   | 7,514,954      | 4,670,330      |
| Temporarily restricted (Note 8) | 1,895,611      | 1,844,872      |
| **TOTAL NET ASSETS**           | **9,410,565**  | **6,515,202**  |

| TOTAL LIABILITIES AND NET ASSETS | $ 9,797,368 | $ 6,668,530 |

The accompanying notes are an integral part of these financial statements.
## CHILD MIND INSTITUTE, INC.
### STATEMENTS OF ACTIVITIES
#### FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended September 30, 2011</th>
<th>For the Year Ended September 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Temporarily Restricted</td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUBLIC SUPPORT AND REVENUES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundations, corporations, individuals and other</td>
<td>$ 3,265,731</td>
<td>$ 650,000</td>
</tr>
<tr>
<td>Special event revenue, net of expenses $155,737</td>
<td>4,565,774</td>
<td>450,000</td>
</tr>
<tr>
<td>Interest income</td>
<td>11,131</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous revenue</td>
<td>16,971</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from restriction (Note 8)</td>
<td>1,049,261</td>
<td>(1,049,261)</td>
</tr>
<tr>
<td>TOTAL PUBLIC SUPPORT AND REVENUES</td>
<td>8,908,868</td>
<td>50,739</td>
</tr>
</tbody>
</table>

### EXPENSES:
#### Program Services:
<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended September 30, 2011</th>
<th>For the Year Ended September 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and outreach</td>
<td>2,198,182</td>
<td>806,128</td>
</tr>
<tr>
<td>Research</td>
<td>549,343</td>
<td>5,059</td>
</tr>
<tr>
<td>Total Program Expenses</td>
<td>2,747,525</td>
<td>811,187</td>
</tr>
</tbody>
</table>

#### Supporting Services:
<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended September 30, 2011</th>
<th>For the Year Ended September 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and general</td>
<td>2,381,943</td>
<td>818,253</td>
</tr>
<tr>
<td>Fundraising</td>
<td>934,776</td>
<td>428,794</td>
</tr>
<tr>
<td>Total Supporting Services</td>
<td>3,316,719</td>
<td>1,247,047</td>
</tr>
</tbody>
</table>

#### TOTAL EXPENSES
<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended September 30, 2011</th>
<th>For the Year Ended September 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,064,244</td>
<td>2,058,234</td>
</tr>
</tbody>
</table>

### CHANGE IN NET ASSETS
<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended September 30, 2011</th>
<th>For the Year Ended September 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets - beginning of year</td>
<td>4,670,330</td>
<td>1,844,872</td>
</tr>
<tr>
<td>Net assets - end of year</td>
<td>7,514,954</td>
<td>$ 1,895,611</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Supporting Services</th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Supporting Services</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERSONNEL EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$ 927,750</td>
<td>$ 390,698</td>
<td>$ 420,338</td>
<td>$ 811,036</td>
<td>$ 1,738,786</td>
<td>$ 719,484</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits (Note 9)</td>
<td>114,927</td>
<td>223,951</td>
<td>54,852</td>
<td>278,803</td>
<td>393,730</td>
<td>159,999</td>
</tr>
<tr>
<td>Sub-total</td>
<td>1,042,677</td>
<td>614,649</td>
<td>475,190</td>
<td>1,089,839</td>
<td>2,132,516</td>
<td>879,483</td>
</tr>
<tr>
<td>OTHER EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel and meals</td>
<td>30,486</td>
<td>27,667</td>
<td>12,137</td>
<td>39,804</td>
<td>70,290</td>
<td>36,967</td>
</tr>
<tr>
<td>Occupancy (Note 7)</td>
<td>27,344</td>
<td>440,899</td>
<td>50,559</td>
<td>491,458</td>
<td>518,802</td>
<td>130,056</td>
</tr>
<tr>
<td>Office expenses</td>
<td>13,062</td>
<td>47,056</td>
<td>95,451</td>
<td>142,507</td>
<td>155,869</td>
<td>59,372</td>
</tr>
<tr>
<td>Professional and consulting fees</td>
<td>297,735</td>
<td>566,145</td>
<td>110,635</td>
<td>676,780</td>
<td>974,515</td>
<td>606,120</td>
</tr>
<tr>
<td>Event consultants</td>
<td>-</td>
<td>-</td>
<td>130,531</td>
<td>130,531</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conference and meetings</td>
<td>4,933</td>
<td>-</td>
<td>390</td>
<td>390</td>
<td>5,323</td>
<td>16,091</td>
</tr>
<tr>
<td>Telephone</td>
<td>5,008</td>
<td>39,555</td>
<td>1,551</td>
<td>41,106</td>
<td>46,114</td>
<td>37,139</td>
</tr>
<tr>
<td>Computers and equipment</td>
<td>20,322</td>
<td>251,896</td>
<td>11,196</td>
<td>263,092</td>
<td>283,414</td>
<td>50,482</td>
</tr>
<tr>
<td>Printing</td>
<td>9,217</td>
<td>8,945</td>
<td>10,105</td>
<td>19,050</td>
<td>28,267</td>
<td>32,862</td>
</tr>
<tr>
<td>Postage</td>
<td>10,646</td>
<td>6,248</td>
<td>1,834</td>
<td>8,082</td>
<td>18,728</td>
<td>15,682</td>
</tr>
<tr>
<td>Staff development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,029</td>
<td>-</td>
</tr>
<tr>
<td>Grant expense (Note 11)</td>
<td>690,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>690,000</td>
<td>-</td>
</tr>
<tr>
<td>Events expense</td>
<td>22,991</td>
<td>5,093</td>
<td>-</td>
<td>5,093</td>
<td>28,084</td>
<td>46,976</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>220</td>
<td>16,142</td>
<td>1,130</td>
<td>17,272</td>
<td>17,492</td>
<td>-</td>
</tr>
<tr>
<td>Bank fees (Note 6)</td>
<td>101</td>
<td>30,161</td>
<td>50</td>
<td>30,211</td>
<td>30,312</td>
<td>29,229</td>
</tr>
<tr>
<td>Web development and design</td>
<td>394,360</td>
<td>336</td>
<td>34,017</td>
<td>345,393</td>
<td>428,713</td>
<td>90,227</td>
</tr>
<tr>
<td>Advertisement</td>
<td>178,423</td>
<td>3,983</td>
<td>-</td>
<td>3,983</td>
<td>182,406</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>283,913</td>
<td>-</td>
<td>283,913</td>
<td>283,913</td>
<td>17,294</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$ 2,747,525</strong></td>
<td><strong>$ 2,381,943</strong></td>
<td><strong>$ 934,776</strong></td>
<td><strong>$ 3,316,719</strong></td>
<td><strong>$ 6,064,244</strong></td>
<td><strong>$ 2,058,234</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
CHILDMIND INSTITUTE, INC  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

<table>
<thead>
<tr>
<th>Supporting Services</th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Supporting Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERSONNEL EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$426,367</td>
<td>$86,382</td>
<td>$206,735</td>
<td>$293,117</td>
<td>$719,484</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits (Note 9)</td>
<td>54,575</td>
<td>66,582</td>
<td>38,842</td>
<td>105,424</td>
<td>159,999</td>
</tr>
<tr>
<td>Sub-total</td>
<td>480,942</td>
<td>152,964</td>
<td>245,577</td>
<td>398,541</td>
<td>879,483</td>
</tr>
<tr>
<td>OTHER EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel and meals</td>
<td>15,067</td>
<td>11,043</td>
<td>10,859</td>
<td>21,902</td>
<td>36,969</td>
</tr>
<tr>
<td>Occupancy (Note 7)</td>
<td>51,781</td>
<td>39,443</td>
<td>38,832</td>
<td>78,275</td>
<td>130,056</td>
</tr>
<tr>
<td>Office expenses</td>
<td>22,946</td>
<td>21,933</td>
<td>14,493</td>
<td>36,426</td>
<td>59,372</td>
</tr>
<tr>
<td>Professional and consulting fees</td>
<td>33,717</td>
<td>506,421</td>
<td>65,982</td>
<td>572,403</td>
<td>606,120</td>
</tr>
<tr>
<td>Conference and meetings</td>
<td>14,533</td>
<td>918</td>
<td>640</td>
<td>1,558</td>
<td>16,091</td>
</tr>
<tr>
<td>Telephone</td>
<td>13,907</td>
<td>12,404</td>
<td>10,828</td>
<td>23,232</td>
<td>37,139</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>6,223</td>
<td>-</td>
<td>6,223</td>
<td>6,223</td>
</tr>
<tr>
<td>Computers and equipment</td>
<td>25,345</td>
<td>9,942</td>
<td>15,195</td>
<td>25,137</td>
<td>50,482</td>
</tr>
<tr>
<td>Printing</td>
<td>15,348</td>
<td>7,479</td>
<td>10,035</td>
<td>17,514</td>
<td>32,862</td>
</tr>
<tr>
<td>Postage</td>
<td>4,578</td>
<td>4,513</td>
<td>6,591</td>
<td>11,104</td>
<td>15,682</td>
</tr>
<tr>
<td>Staff development</td>
<td>-</td>
<td>2,251</td>
<td>1,778</td>
<td>4,029</td>
<td>4,029</td>
</tr>
<tr>
<td>Events expense</td>
<td>44,248</td>
<td>87</td>
<td>2,641</td>
<td>2,728</td>
<td>46,976</td>
</tr>
<tr>
<td>Bank fees (Note 6)</td>
<td>-</td>
<td>29,076</td>
<td>153</td>
<td>29,229</td>
<td>29,229</td>
</tr>
<tr>
<td>Web development and design</td>
<td>88,775</td>
<td>454</td>
<td>998</td>
<td>1,452</td>
<td>90,227</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>$811,187</td>
<td>$818,253</td>
<td>$428,794</td>
<td>$1,247,047</td>
<td>$2,058,234</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
CASH FLOWS FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$2,895,363</td>
<td>$6,515,202</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>283,913</td>
<td>17,294</td>
</tr>
<tr>
<td>Deferred rent liability</td>
<td>23,158</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>3,202,434</td>
<td>6,532,496</td>
</tr>
</tbody>
</table>

Changes in operating assets and liabilities:

<table>
<thead>
<tr>
<th>(Increase) decrease in assets:</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions receivable</td>
<td>329,096</td>
<td>(1,686,489)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>13,374</td>
<td>(197,963)</td>
</tr>
<tr>
<td>Security deposits</td>
<td>-</td>
<td>(125,309)</td>
</tr>
<tr>
<td>Due from related party</td>
<td>25,532</td>
<td>(438,006)</td>
</tr>
<tr>
<td>Increase in liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>186,663</td>
<td>144,790</td>
</tr>
<tr>
<td>Accrued salaries and vacation</td>
<td>23,654</td>
<td>8,538</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>3,780,753</td>
<td>$ 4,240,057</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of property and equipment</td>
<td>(2,541,905)</td>
<td>(207,711)</td>
</tr>
<tr>
<td><strong>Net Cash Used by Investing Activities</strong></td>
<td>(2,541,905)</td>
<td>(207,711)</td>
</tr>
</tbody>
</table>

NET INCREASE IN CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents - beginning of year</td>
<td>4,032,346</td>
<td>-</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS - END OF YEAR</strong></td>
<td>$5,271,194</td>
<td>$4,032,346</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
NOTE 1—ORGANIZATION AND NATURE OF ACTIVITIES

The Child Mind Institute ("CMI") is devoted to transforming mental health care for the world's children to enable them to reach their full potential. CMI is passionately committed to finding more effective treatments for childhood psychiatric and learning disorders, building the science of healthy brain development, and empowering children and their families with the information they need to get help, hope, and answers.

CMI was incorporated in 2009 and is organized under the Not-For-Profit Corporation Law of the State of New York. CMI is a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and, accordingly, is not subject to federal income taxes. As a not-for-profit organization, CMI is also exempt from New York State and New York City income and sales taxes.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. CMI's financial statements have been prepared on the accrual basis of accounting. CMI adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").

B. CMI classifies its net assets in the following three categories:

- Unrestricted – represents resources available for support of CMI's operations over which the Board of Directors has discretionary control.

- Temporarily Restricted – represents assets resulting from contributions and other inflows of assets whose use by CMI is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of CMI pursuant to those stipulations. 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 statements of activities as net assets released from restrictions.

- Permanently Restricted – represents those resources subject to donor-imposed stipulations that they be maintained intact in perpetuity by CMI. Currently, CMI has no permanently restricted net assets.

C. Cash and cash equivalents consist of all highly liquid investments purchased with maturities of 3 months or less.

D. Contributions receivable are recorded at net realizable value if expected to be collected in one year and, if material, multiyear receivables are recorded at the present value of their estimated future cash flows.

E. Unconditional promises to give (pledges) are recorded as income when CMI is formally notified of the grants or contributions by the respective donors. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

F. As of September 30, 2011 and 2010, CMI determined that no allowance for doubtful accounts should be provided for receivables. Such estimate is based on management's evaluation of the creditworthiness of its donors, a review of individual donor accounts outstanding, the aging of its receivables, as well as current economic conditions and historical loss experience.
NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property and equipment is stated at cost or contributed value less accumulated depreciation and amortization. CMI capitalizes property and equipment with a cost of $3,000 or more and a useful life greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of their useful lives or the term of the lease.

H. The costs of providing program and supporting services of CMI have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the program and supporting services benefited.

I. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingencies. Actual results may differ from those estimates.

J. CMI has no uncertain tax positions as of September 30, 2011 and 2010 in accordance with Accounting Standards Codification ("ASC") Topic 740, Income Taxes, which provides standards for establishing and classifying any tax provision for uncertain tax positions.

K. Donated securities are recorded at fair value at the date of donation.

L. Donated services are recognized in the financial statements if the services or goods enhance or create non-financial assets or require specialized skills, provided by individuals possessing these skills and would typically need to be purchased if not provided by donation. CMI records contributions in kind at their fair value. For the years ended September 30, 2011 and 2010, CMI received professional services that amounted to approximately $402,000 and $0, respectively.

M. CMI leases real property under an operating lease expiring in May 2023. For the years ended September 30, 2011 and 2010, CMI recorded an adjustment to rent expense to reflect its straight-lining policy that amounted to $23,158 and $0, respectively. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent in the accompanying statements of financial position.

N. Management has evaluated events subsequent to the date of the statement of financial position through May 14, 2012, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through May 14, 2012 that would require adjustment or disclosure in the financial statements.

NOTE 3—CONTRIBUTIONS RECEIVABLE

Contributions receivable are unconditional promises to give consisting of the following as of September 30, 2011 and 2010.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due in less than one year</td>
<td>$858,433</td>
<td>$1,086,489</td>
</tr>
<tr>
<td>Due between one and five years</td>
<td>$498,960</td>
<td>$600,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,357,393</strong></td>
<td><strong>$1,686,489</strong></td>
</tr>
</tbody>
</table>
NOTE 4—PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of September 30, 2011 and 2010:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Estimated Useful Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer software and hardware</td>
<td>$ 635,766</td>
<td>$ 145,833</td>
<td>3-5 years</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>766,339</td>
<td>2,726</td>
<td>5-10 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>1,247,511</td>
<td>-</td>
<td>15 years</td>
</tr>
<tr>
<td>Construction in progress (see below)</td>
<td>100,000</td>
<td>59,152</td>
<td></td>
</tr>
<tr>
<td><strong>Total cost</strong></td>
<td>2,749,616</td>
<td>207,711</td>
<td></td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>301,207</td>
<td>17,294</td>
<td></td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td>$ 2,448,409</td>
<td>$ 190,417</td>
<td></td>
</tr>
</tbody>
</table>

Depreciation expense amounted to $283,913 and $17,294 for the years ended September, 30, 2011 and 2010.

In March 2011, CMI relocated to a new location and entered into an agreement with a local contractor to renovate the premises. As of September 30, 2011, the estimated cost to complete the renovations was $100,000.

NOTE 5—DUE FROM CHILD MIND MEDICAL PRACTICE

The Founder and President of CMI ("President") is also the sole member of the Child Mind Medical Practice (the "Practice"), a separate and distinct for-profit company. The President is involved in the management of both of these entities, while CMI’s Board of Directors oversees and controls the policies, management and activities of CMI. The criteria of control and economic interest that might require consolidation of the two entities’ financial statements under U.S. GAAP are not met. Procedures are in place to ensure the proper allocation of expenses between each organization. Pursuant to an agreement between CMI and the Practice, CMI shared certain costs (including capital expenditures) associated with the start of operations. As of September 30, 2011 and 2010, CMI was owed approximately $410,000 and $436,000, respectively, from the Practice for its share of these costs, including salaries and equipment.

NOTE 6—BANK LETTERS OF CREDIT

CMI has two business letters of credit with a bank up to a maximum of $2,828,588 that will expire on August 31, 2012. The letters of credit bear no interest. As of September 30, 2011, there was no outstanding balance. The letters of credit were issued relative to that certain agreement of lease, including any amendments and restatements between CMI and a landlord (See Note 7). CMI incurred bank related fees, pertaining to the letter of credits, of approximately $30,000 and $28,000 for the years ended September 30, 2011 and 2010. As of May 14, 2012, there was no outstanding balance.

NOTE 7—COMMITMENTS

CMI entered into an operating lease agreement in August 2010 for the New York office effective August 1, 2010 through May 31, 2023. Pursuant to this agreement, CMI received a base rent credit of $1,190,490 to be applied to the rent expense from the commencement of this lease through May 31, 2011. In conjunction with this lease, CMI was required to obtain two separate letters of credit totaling $2,828,588 to be held as security in the event of default (See Note 6). CMI has not defaulted on this lease through the date of this report and, accordingly, there have been no borrowings on these letters of credit.
NOTE 7—COMMITMENTS (Continued)

Future minimum rent payments for the years subsequent to September 30, 2011 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1,428,588</td>
</tr>
<tr>
<td>2013</td>
<td>$1,428,588</td>
</tr>
<tr>
<td>2014</td>
<td>$1,428,588</td>
</tr>
<tr>
<td>2015</td>
<td>$1,451,264</td>
</tr>
<tr>
<td>2016</td>
<td>$1,564,644</td>
</tr>
<tr>
<td>Thereafter</td>
<td>$10,827,790</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong>: $18,129,462</td>
</tr>
</tbody>
</table>

The rent expense for the year ended September 30, 2011 and 2010 amounted to approximately $468,000 and $130,000, respectively. During the year ended September 20, 2010, CMI occupied office space which was leased on a month to month basis.

NOTE 8—TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are both time and purpose restricted. Temporarily restricted net assets consist of the following as of September 30, 2011 and 2010:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time restricted</td>
<td>$1,338,960</td>
<td>$1,599,609</td>
</tr>
<tr>
<td>Time and purpose restricted</td>
<td>$556,651</td>
<td>$245,263</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong>: $1,895,611</td>
<td><strong>Total</strong>: $1,844,872</td>
</tr>
</tbody>
</table>

For the year ended September 30, 2011 and 2010, $1,049,261 and $4,737 of expenses incurred satisfied the restricted purposes set forth by the donors and were released from their restrictions. Net assets restricted as to time will be released from their restrictions in conjunction with their scheduled payment date (See Note 2B).

NOTE 9—EMPLOYEE RETIREMENT PLAN

CMI maintains an employee benefit plan under section 401(k) of the Internal Revenue Code (the "Plan") into which eligible employees may contribute a portion of their annual salaries. Under the terms of the plan, CMI may provide a discretionary matching contribution of the employees' contributions up to 6% of their annual salary to a maximum of $10,000 per year. Pension expense for the year ended September 30, 2011 and 2010 amounted to $46,589 and $9,000, respectively.

NOTE 10—CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject CMI to a concentration of credit risk included cash accounts with bank that were either not insured or may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits by approximately $5,100,000 and $3,600,000 as of September 30, 2011 and 2010, respectively. Beginning December 31, 2010 through December 31, 2012, deposits held in non-interest bearing accounts at all FDIC insured institution are fully insured, regardless of the amount in the account.

NOTE 11—RESTRICTED GRANT

In July 2010, the Practice and CMI entered into a restricted grant agreement whereby CMI would make one or more initial capital grants not to exceed $750,000 in aggregate, to the Practice in order to enable the Practice to cover its start up costs and begin treating patients. As a result of this agreement, CMI recorded grant expenses amounting to $690,000 for the year ended September 30, 2011.