

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2009

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2009 calendar year, or tax year beginning 07/01, 2009, **and ending** 06/30, 2010

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	Please use IRS label or print or type. See Specific Instructions.	C Name of organization CLASSROOM, INC.		D Employer identification number 13-3666846
		Doing Business As		E Telephone number (212) 545-8400
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 245 FIFTH AVENUE - 20TH FLOOR		G Gross receipts \$ 3,030,349.
		City or town, state or country, and ZIP + 4 NEW YORK, NY 10016		
F Name and address of principal officer: JANE CANNER 245 FIFTH AVENUE, 20TH FLOOR NEW YORK, NY 10016				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 <small>If "No," attach a list. (see instructions)</small>
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		J Website: WWW.CLASSROOMINC.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: 1991 M State of legal domicile: NY	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>CI DEVELOPS AND IMPLEMENTS INNOVATIVE CURRICULA DESIGNED TO ENGAGE STUDENTS WITH THE GREATEST NEEDS AND HELP THEM DEVELOP ACADEMIC SKILLS ESSENTIAL FOR SUCCESS IN SCHOOL AND THE WORKPLACE.</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	10
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5 Total number of employees (Part V, line 2a)	5	28
	6 Total number of volunteers (estimate if necessary)	6	
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	
b Net unrelated business taxable income from Form 990-T, line 34	7b		
Revenue	8 Contributions and grants (Part VIII, line 1h)	2,518,678.	2,009,913.
	9 Program service revenue (Part VIII, line 2g)	1,021,604.	1,011,391.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-492,419.	3,244.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	13,657.	5,801.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,061,520.	3,030,349.
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)	2,334,047.	2,212,817.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses, Part IX, column (D), line 25) ▶ 417,402.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	1,905,114.	1,893,520.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	4,239,161.	4,106,337.	
19 Revenue less expenses. Subtract line 18 from line 12	-1,177,641.	-1,075,988.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Year 5,347,196.	End of Year 4,242,031.
	21 Total liabilities (Part X, line 26)	485,627.	456,450.
	22 Net assets or fund balances. Subtract line 21 from line 20	4,861,569.	3,785,581.

Part II Signature Block

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

Sign Here ▶ Signature of officer _____ Date _____

▶ Type or print name and title _____

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4	EISNERAMPER LLP 750 THIRD AVENUE NEW YORK, NY 10017-2703	EIN ▶ P007368769	Phone no. ▶ 212-949-8700

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. *

Form 990 (2009)

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

CI DEVELOPS AND IMPLEMENTS INNOVATIVE CURRICULA DESIGNED TO ENGAGE STUDENTS WITH THE GREATEST NEEDS AND HELP THEM DEVELOP ACADEMIC SKILLS ESSENTIAL FOR SUCCESS IN SCHOOL AND THE WORKPLACE.

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 \$ 2,454,994. including grants of \$ 0.) (Revenue \$ 1,011,391.)

DIRECT SUPPORT TO SCHOOLS: COMPREHENSIVE PROGRAMS PROVIDE SCHOOL ADMINISTRATORS AND TEACHERS WITH TECHNICAL AND PEDAGOGICAL SUPPORT AS THEY USE CI'S PROGRAMS. THE PROGRAMS PROVIDE TEACHERS WITH PROFESSIONAL DEVELOPMENT THROUGH CUSTOMIZED WORKSHOPS AND ONSITE SUPPORT, OFFERING BEST PRACTICES FOR IMPLEMENTING CI'S PROGRAMS AND MAXIMIZING RESULTS.

4b (Code:) (Expenses \$ 591,101. including grants of \$ 0.) (Revenue \$ 0.)

CURRICULUM DEVELOPMENT: CREATION OF CURRICULA MATERIALS INCLUDING STUDENT WORKSHOPS, LESSON PLANS, ASSESSMENT MATERIALS, WEBSITE RESOURCES AND OTHER MATERIALS FOR TEACHERS TO SUPPORT IMPLEMENTATION OF PROGRAMS. IT ALSO INCLUDED THE CREATION OF INTERACTIVE COMPUTER-BASED SIMULATIONS OF REAL LIFE EXPERIENCES, WHICH FUNCTION AS SUPPLEMENTARY CURRICULA IN SCHOOLS AND COMMUNITY-BASED ORGANIZATIONS.

4c (Code:) (Expenses \$ 208,591. including grants of \$ 0.) (Revenue \$ 0.)

RESEARCH AND ASSESSMENT: RESEARCH FOR CURRICULUM DEVELOPMENT AND ENHANCING INSTRUCTIONAL MODELS, AS WELL AS PROVIDING EVIDENCE FOR THE EFFICACY OF OUR PROGRAM.

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

4e Total program service expenses ▶ 3,254,686.

Part IV Checklist of Required Schedules

Table with 3 columns: Question, Yes, No. Rows 1-20 with various questions about organizational requirements and schedules. Includes sub-rows 12A, 14a, 14b, 15, 16, 17, 18, 19, 20.

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, description, and Yes/No response. Includes questions 1a through 12b regarding IRS filings, Form 990, and tax compliance.

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

Section A. Governing Body and Management

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

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

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		X
10b	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?		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A	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	X	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization	X	
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	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?		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ▶ DC, NY,
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ GEORGE DEMARCO 245 FIFTH AVENUE 20TH FLOOR NEW YORK, NY 10016
212-653-8117

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
LEWIS W BERNARD CHAIRMAN	10.00	X		X				0.	0.	0.
JOHN P HAVENS TREASURER	1.00	X		X				0.	0.	0.
MADLINE E LACOVARA SECRETARY	1.00	X		X				0.	0.	0.
FRANKLIN W HOBBS DIRECTOR	1.00	X						0.	0.	0.
MARY MEEKER DIRECTOR	1.00	X						0.	0.	0.
MARC F MCMORRIS DIRECTOR	1.00	X						0.	0.	0.
CHRISTINE LASALA DIRECTOR	1.00	X						0.	0.	0.
CARL W TURNIPSEED DIRECTOR	1.00	X						0.	0.	0.
GARY ZARR DIRECTOR	1.00	X						0.	0.	0.
JANE CANNER PRESIDENT	40.00	X		X				169,040.	0.	9,706.
GEORGE DEMARCO VP AND CHIEF OPERATING OFFICER	40.00			X				158,079.	0.	14,170.
SYLVIA BARISON VICE PRESIDENT OF PROGRAMS	40.00			X				137,578.	0.	7,446.
EVELYN FRIEDMAN VICE PRESIDENT OF DEVELOPMENT	40.00			X				130,525.	0.	17,056.
DONALD WULBRECHT VICE PRESIDENT OF BUS DEV'L	40.00			X				126,531.	0.	6,720.
CECILIA HO DIRECTOR OF FINANCE	40.00					X		129,895.	0.	11,789.

Part VIII Statement of Revenue

13-3666846

				(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	2,009,913.				
	g	Noncash contributions included in lines 1a-1f: \$		1,085.				
	h	Total. Add lines 1a-1f		2,009,913.				
Program Service Revenue				Business Code				
	2a	LEARNING ENVIRONMENT/EXTENDED LEARNING	611710	612,357.	612,357.			
	b	LITERACY AT WORK	611710	40,839.	40,839.			
	c	GEN'L CONSULTATION						
	d	& MATERIALS	611710	358,195.	358,195.			
	e							
	f	All other program service revenue						
g	Total. Add lines 2a-2f		1,011,391.					
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		3,244.			3,244.	
	4	Income from investment of tax-exempt bond proceeds		0.				
	5	Royalties		0.				
	6a	Gross Rents	(i) Real					
			(ii) Personal					
	b	Less: rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss)		0.				
	7a	Gross amount from sales of assets other than inventory	(i) Securities					
			(ii) Other					
	b	Less: cost or other basis and sales expenses						
c	Gain or (loss)							
d	Net gain or (loss)		0.					
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		0.					
9a	Gross income from gaming activities. See Part IV, line 19	a						
b	Less: direct expenses	b						
c	Net income or (loss) from gaming activities		0.					
10a	Gross sales of inventory, less returns and allowances	a						
b	Less: cost of goods sold	b						
c	Net income or (loss) from sales of inventory		0.					
Miscellaneous Revenue				Business Code				
11a	OTHER INCOME		5,801.			5,801.		
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d		5,801.					
12	Total Revenue. See instructions		3,030,349.	1,011,391.		9,045.		

Part IX Statement of Functional Expenses

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

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

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	0.			
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4	Benefits paid to or for members	0.			
5	Compensation of current officers, directors, trustees, and key employees	315,560.	235,767.	39,309.	40,484.
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7	Other salaries and wages	1,557,636.	1,163,767.	194,035.	199,834.
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	63,868.	47,393.	7,978.	8,497.
9	Other employee benefits	137,257.	102,601.	17,320.	17,336.
10	Payroll taxes	138,496.	102,769.	17,301.	18,426.
11	Fees for services (non-employees):				
a	Management	0.			
b	Legal	0.			
c	Accounting	38,000.	32,300.	5,700.	
d	Lobbying	0.			
e	Professional fundraising services. See Part IV, line 17	0.			
f	Investment management fees	0.			
g	Other	482,773.	419,761.	34,826.	28,186.
12	Advertising and promotion	0.			
13	Office expenses	69,187.	51,250.	9,486.	8,451.
14	Information technology	25,718.	12,210.	9,873.	3,635.
15	Royalties	0.			
16	Occupancy	604,827.	450,756.	76,312.	77,759.
17	Travel	143,713.	140,451.	449.	2,813.
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19	Conferences, conventions, and meetings	31,582.	30,915.	450.	217.
20	Interest	0.			
21	Payments to affiliates	0.			
22	Depreciation, depletion, and amortization	44,222.	37,589.	6,633.	
23	Insurance	11,141.	9,485.	1,656.	
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a	OTHER PRODUCT SUPPLIES -----	285,379.	285,379.		
b	TEMPORARY HELP -----	5,800.	5,800.		
c	RECRUITING & HIRING -----	838.	25.	813.	
d	STAFF DEVELOPMENT & TRAINING -----	1,304.	769.		535.
e	STAFF RECOGNITION -----	2,230.		2,230.	
f	All other expenses -----	146,806.	125,699.	9,878.	11,229.
25	Total functional expenses. Add lines 1 through 24f	4,106,337.	3,254,686.	434,249.	417,402.
26	Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	500.	1	600.
	2	Savings and temporary cash investments	3,288,496.	2	2,417,605.
	3	Pledges and grants receivable, net	634,990.	3	479,446.
	4	Accounts receivable, net	835,251.	4	675,849.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	389,705.	8	470,157.
	9	Prepaid expenses and deferred charges	139,383.	9	148,442.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 843,458.		
	b	Less: accumulated depreciation	10b 793,526.		
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11		15	
16	Total assets. Add lines 1 through 15 (must equal line 34)	5,347,196.	16	4,242,031.	
Liabilities	17	Accounts payable and accrued expenses	311,655.	17	311,687.
	18	Grants payable		18	
	19	Deferred revenue	173,972.	19	144,763.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D		25	
	26	Total liabilities. Add lines 17 through 25	485,627.	26	456,450.
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	3,604,829.	27	2,877,763.
	28	Temporarily restricted net assets	1,006,740.	28	657,818.
	29	Permanently restricted net assets	250,000.	29	250,000.
	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	4,861,569.	33	3,785,581.	
34	Total liabilities and net assets/fund balances	5,347,196.	34	4,242,031.	

Part XI Financial Statements and Reporting

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

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

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

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

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

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

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

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form **990** (2009)

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	2,795,716.	2,681,035.	2,832,203.	2,518,678.	2,009,913.	12,837,545.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	2,795,716.	2,681,035.	2,832,203.	2,518,678.	2,009,913.	12,837,545.
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).						2,870,723.
6 Public support. Subtract line 5 from line 4.						9,966,822.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	2,795,716.	2,681,035.	2,832,203.	2,518,678.	2,009,913.	12,837,545.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	116,407.	182,210.	181,651.	75,365.	3,244.	558,877.
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.)	21,822.	51,440.	36,766.	13,657.	5,801.	129,486.
11 Total support. Add lines 7 through 10						13,525,908.
12 Gross receipts from related activities, etc. (see instructions)					12	7,181,013.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	73.69 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	64.13 %
16a 33 1/3 % support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33 1/3 % support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

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

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

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

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

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

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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.

Name of the organization CLASSROOM, INC.

Employer identification number 13-3666846

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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... Yes/No, 6 Did the organization inform all grantees...

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). 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution... 2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure, 2d 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 tax year. 4 Number of states where property subject to conservation easement is located. 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes/No. 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year. 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year. 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? Yes/No. 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

1a If the organization elected, as permitted under SFAS 116, 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.

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

Schedule D (Form 990) 2009

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

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

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XI V and complete the following table:

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

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XI V.

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

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	250,000.	250,000.			
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	250,000.	250,000.			

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

- a Board designated or quasi-endowment %
- b Permanent endowment 100.0000 %
- 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

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

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

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

Part VI 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		580,006.	580,006.	0.
d Equipment		263,452.	213,520.	49,932.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				49,932.

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	3,030,349.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	4,106,337.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-1,075,988.
4	Net unrealized gains (losses) on investments	4	0.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	0.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-1,075,988.

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

1	Total revenue, gains, and other support per audited financial statements	1	3,109,401.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	79,052.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	79,052.
3	Subtract line 2e from line 1	3	3,030,349.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	3,030,349.

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

1	Total expenses and losses per audited financial statements	1	4,185,389.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	79,052.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	79,052.
3	Subtract line 2e from line 1	3	4,106,337.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	4,106,337.

Part XIV Supplemental Information

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

SEE PAGE 5

Part XIV Supplemental Information (continued)

PARTS V LINE 4 AND X LINE 2

PART V LINE 4

THE ENDOWMENT CONSISTS ENTIRELY OF INDIVIDUAL DONOR-RESTRICTED FUNDS, ESTABLISHED FOR A VARIETY OF PURPOSES. CI HAS NO FORMAL SPENDING POLICY AND DOES NOT PLAN TO SPEND THE PRINCIPAL OF THE ENDOWMENT FUND IN THE FORESEEABLE FUTURE. CI DOES NOT HAVE ANY FUNDS DESIGNATED BY THE BOARD OF DIRECTORS TO FUNCTION AS ENDOWMENT.

PART X LINE 2

IN FISCAL-YEAR 2010, CI ADOPTED THE PROVISIONS OF ACCOUNTING STANDARDS CODIFICATION ("ASC") 740-10-05 RELATING TO ACCOUNTING AND REPORTING FOR UNCERTAINTY IN INCOME TAXES. DUE TO CI'S GENERAL TAX-EXEMPT STATUS, THE ADOPTION OF ASC 740-10-05 HAS NOT HAD, AND IS NOT EXPECTED TO HAVE, A MATERIAL IMPACT ON CI'S FINANCIAL STATEMENTS.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
CLASSROOM, INC.

Employer identification number
13-3666846

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? **4a** X
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b** X
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c** X
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? **5a** X
- b** Any related organization? **5b** X
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? **6a** X
- b** Any related organization? **6b** X
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III **7** X

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III **8** X

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

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

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

Schedule J (Form 990) 2009

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
JANE CANNER	(i) 169,040	(ii) 0	(iii) 0	8,556	1,150	178,746	0
	(ii) 0	(ii) 0	(iii) 0	0	0	0	0
GEORGE DEMARCO	(i) 158,079	(ii) 0	(iii) 0	8,050	6,120	172,249	0
	(ii) 0	(ii) 0	(iii) 0	0	0	0	0
	(i) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----

Part III Supplemental Information

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

Area with horizontal dashed lines for supplemental information.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service
Name of the organization

CLASSROOM, INC.

Supplemental Information to Form 990

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

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Employer identification number

13-3666846

ATTACHMENT 1

FORM 990, PART VI SECTION B GOVERNANCE, MANAGEMENT AND DISCLOSURE

SECTION B

11A. THE DRAFT FORM 990 WAS PROVIDED TO CI'S AUDIT COMMITTEE AND THE
FULL BOARD FOR REVIEW BEFORE FILING.

12C. CI REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH
THE CONFLICT OF INTEREST POLICY. ALL DIRECTORS AND EMPLOYEES WHO ARE IN
A POSITION TO INFLUENCE A DECISION CONCERNING CI'S OPERATIONS ARE
REQUIRED TO DISCLOSE ANY ACTUAL OR POTENTIAL CONFLICT OF INTEREST ON HIS
OR HER PART AS TO WHICH HE OR SHE MAY PLAY ANY DECISION-MAKING OR
INFLUENTIAL ROLE. ALL SUCH DIRECTORS AND EMPLOYEES ARE REQUIRED TO
REVIEW AND SIGN THE CONFLICT OF INTEREST POLICY ANNUALLY.

15. THE COMPENSATION OF CI'S CEO AND OTHER OFFICERS AND KEY EMPLOYEES IS
DETERMINED BY THE COMPENSATION COMMITTEE, ONE OF THE GOVERNING COMMITTEES
OF THE BOARD OF DIRECTORS. THE COMMITTEE REVIEWS COMPENSATION OF
COMPARABLE NON PROFIT ORGANIZATIONS, ECONOMIC CONDITIONS OF THE
MARKETPLACE AND INDIVIDUAL PERFORMANCES TO DETERMINE COMPENSATION.

SECTION C

19. THE CONFLICT OF INTEREST POLICY IS AVAILABLE TO THE PUBLIC UPON
REQUEST. CI POSTS ITS AUDITED FINANCIAL STATEMENTS ON ITS WEBSITE AND
COPIES ARE ALSO PROVIDED TO THE PUBLIC UPON REQUEST.