Financial Statements and Independent Auditors' Report

beyond blindness™

Building Bright Futures for Children

As of and For the Year Ended June 30, 2021 (With Summarized Comparative Information as of and for the Year Ended June 30, 2020)

BEYOND BLINDNESS
(Formerly known as The Blind Children's Learning Center of Orange County, Inc.)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Beyond Blindness

We have audited the accompanying financial statements of Beyond Blindness (formerly known as The Blind Children's Learning Center of Orange County, Inc.) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statement of activities, 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.

Auditors' 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 misstatements.

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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beyond Blindness as of June 30, 2021, and the changes in its net assets 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 Beyond Blindness' June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Haskell & White LLP

HASKELL & WHITE LLP

Irvine, California
October 29, 2021

BEYOND BLINDNESS
(Formerly known as The Blind Children's Learning Center of Orange County, Inc.)

Statement of Financial Position
As of June 30, 2021
(With summarized comparative information as of June 30, 2020)

Assets	**2021**	2020
Current assets:		
Cash and cash equivalents	$ 1,088,471	$ 2,187,464
Investments (Note 3)	1,886,532	754,726
Accounts receivable (Note 4)	114,703	148,643
Short-term pledge receivable	58,363	24,942
Prepaid expenses	48,542	29,900
Total current assets	3,196,611	3,145,675
Long-term portion of pledge receivable, net of discount	99,775	49,883
Property and equipment:		
Buildings and improvements	121,206	121,206
Leasehold improvements	329,967	329,967
Furniture, equipment, and software	180,192	199,932
Construction in progress	18,121	-
Vehicles	41,653	41,653
Total property and equipment	691,139	692,758
Accumulated depreciation	(397,760)	(367,194)
Net property and equipment	293,379	325,564
Total assets	$ 3,589,765	$ 3,521,122
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 32,829	$ 45,439
Accrued payroll and payroll taxes payable	73,237	65,606
Accrued vacation payable	86,275	78,858
Deferred revenue	29,471	-
Short-term portion of debt (Note 6)	-	395,200
Accrued interest on debt (Note 6)	5,718	825
Total current liabilities	227,530	585,928
Long-term portion of debt (Note 6)	149,900	-
Commitments and contingencies (Notes 6, 8, 9 and 10)		
Net assets (Note 7)		
With donor restrictions	160,306	96,789
Without donor restrictions	3,052,029	2,838,405
Total net assets	3,212,335	2,935,194
Total liabilities and net assets	$ 3,589,765	$ 3,521,122

BEYOND BLINDNESS
(Formerly known as The Blind Children's Learning Center of Orange County, Inc.)

Statement of Activities
For The Year Ended June 30, 2021
(With summarized comparative information as of June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Revenues				
Revenue and other support:				
Program fees	$ 965,526	$ -	**$ 965,526**	$ 1,228,234
Individual and group donors	471,788	50,000	**521,788**	616,289
Foundation donors	97,864	454,531	**552,395**	513,035
Special events, net of $150,597 of direct expenses	242,237	-	**242,237**	272,160
Legacies and bequests	70,224	-	**70,224**	190,157
Commercial organization donors	89,920	-	**89,920**	88,382
Grants and other contributions	32,325	-	**32,325**	54,314
Investment income, net	76,452	-	**76,452**	44,745
Grant from PPP loan	395,200	-	**395,200**	-
Net assets released from restrictions	441,014	(441,014)	-	-
Total revenue and other support	2,882,550	63,517	**2,946,067**	3,007,316
Expenses				
Functional expenses:				
Program services	1,695,893	-	**1,695,893**	2,292,633
Support services:				
Management and general	671,610	-	**671,610**	242,202
Fundraising	301,423	-	**301,423**	247,381
Total functional and support service expenses	2,668,926	-	**2,668,926**	2,782,216
Change in net assets				
Increase in net assets	213,624	63,517	**277,141**	225,100
Net assets, beginning of year	2,838,405	96,789	**2,935,194**	2,710,094
Net assets, end of year	$ 3,052,029	$ 160,306	**$ 3,212,335**	$ 2,935,194

See independent auditors' report and notes to financial statements.

BEYOND BLINDNESS

(Formerly known as The Blind Children's Learning Center of Orange County, Inc.)

Statement of Functional Expenses
For The Year Ended June 30, 2021

(With summarized comparative information as of June 30, 2020)

	Program Services	Supporting Services			
	Early Intervention and Education	Management and General	Fund-raising	Totals 2021	Totals 2020
Salaries and Wages	$ 1,184,275	$ 240,787	$ 120,772	$ 1,545,834	$ 1,891,947
Employee Benefits	111,134	38,037	11,327	160,498	145,250
Payroll Taxes	82,169	59,212	8,785	150,166	146,859
Rent	89,882	21,226	12,046	123,154	107,917
Fund Development Support	-	12,834	48,649	61,483	-
Accounting Fees	-	60,613	-	60,613	-
Depreciation and Amortization	19,761	19,762	19,762	59,285	64,748
Public Relations	-	39,000	12,000	51,000	-
Staff Development	24,126	12,523	2,236	38,885	31,194
Technology Software	17,573	3,226	15,800	36,599	-
Telephone / Internet	26,247	5,880	2,819	34,946	24,834
Marketing	-	26,245	6,605	32,850	16,000
Audit & Tax Preparation	-	31,969	-	31,969	13,213
Utilities / Gas / Electric	21,233	6,911	2,352	30,496	30,221
Travel & Mileage	26,313	-	225	26,538	38,438
Business Insurance	16,717	4,083	1,904	22,704	20,928
Program Contractors	21,391	342	-	21,733	59,971
Agency Owned Property/Buildings	-	21,000	-	21,000	-
Promotional Products / Mailings	4,083	1,926	12,336	18,345	22,829
Dues, Fees & Subscriptions	848	6,664	4,083	11,595	-
Information Technology	8,592	1,680	1,015	11,287	-
Board Development	68	10,710	494	11,272	-
Copier / Equipment Rental	2,464	6,404	1,324	10,192	-
Loss Fixed Asset Disposal	-	9,511	-	9,511	4,760
Credentialing & Other Fees	9,500	-	-	9,500	-
Printing & Postage	676	470	7,717	8,863	8,048
Supplies-Program & Office	4,096	3,928	631	8,655	23,004
Janitorial Supplies	7,179	398	38	7,615	-
Payroll Fees	-	7,364	-	7,364	6,786
Staff Training & Safety	2,640	3,592	728	6,960	-
Church Properties	5,952	676	191	6,819	-
Legal	40	6,710	-	6,750	8,366
Bank / CreditCard Fees	361	37	6,199	6,597	22,511
Interest Expense	-	4,894	-	4,894	-
Food / Consumables	1,799	1,402	226	3,427	8,132
Technology Hardware	2,840	298	182	3,320	-
Enrichment / Education	2,234	-	668	2,902	677
Vehicle Gas & Repairs	828	214	-	1,042	1,516
Meetings	-	596	278	874	4,018
Other Expenses	-	416	-	416	-
Bad Debt Account	408	-	-	408	-
Repairs & Maintenance	240	14	31	285	71,409
Investment Fees	-	131	-	131	-
Volunteer Services	-	100	-	100	-
Taxes / Licenses	225	(196)	-	29	-
Modulars	-	20	-	20	-
ECC Substitutes	-	-	-	-	8,640
Total expenses	$ 1,695,894	$ 671,609	$ 301,423	$ 2,668,926	$ 2,782,216

BEYOND BLINDNESS
(Formerly known as The Blind Children's Learning Center of Orange County, Inc.)

Statement of Cash Flows
For The Year Ended June 30, 2021
(With summarized comparative information as of June 30, 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 277,141	$ 225,100
Non-cash items included in change in net assets:		
Payroll Protection Program loan forgiveness	(395,200)	-
Realized and unrealized gain on sale of securities	58,840	15,035
Depreciation and amortization	59,285	64,748
Loss on fixed asset disposal	9,511	4,760
Discount on long-term pledges receivable	50	175
Changes in operating assets and liabilities		
Accounts receivable	33,940	41,591
Pledge receivable	(83,363)	(75,000)
Contributions and other receivables	-	6,307
Prepaid expenses	(18,642)	9,064
Accounts payable	(7,717)	21,273
Accrued payroll and payroll taxes payable	7,631	(18,742)
Accrued vacation payable	7,417	(11,345)
Deferred revenue	29,471	-
Other current liabilities	-	(2,056)
Net cash (used in) provided by operating activities	(21,636)	280,910
Cash flows from investing activities		
Investments in equity shares and bonds	(1,190,646)	(137,881)
Acquisition of property and equipment	(36,611)	-
Proceeds from liquidation of certificates of deposit	-	8,234
Net cash used in investing activities	(1,227,257)	(129,647)
Cash flows from financing activities		
Proceeds from debt	149,900	395,200
Net cash provided by financing activities	149,900	395,200
Net (decrease) increase in cash and cash equivalents	(1,098,993)	546,463
Cash and cash equivalents - beginning of year	2,187,464	1,641,001
Cash and cash equivalents - end of year	$ 1,088,471	$ 2,187,464
Supplemental Information		
Cash paid for interest	$ 4,893	$ 825

1. Nature of Operations

Beyond Blindness (formerly known as The Blind Children's Learning Center of Orange County, Inc.) (the "Organization") was incorporated in 1962 in California as a not-for-profit corporation. The Organization has been classified as a publicly supported organization, which is not a private foundation, under Section 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

The mission of the Organization is to empower children with visual impairments and other disabilities to achieve their fullest potential. The primary sources of revenue for the Organization are program fees and charitable contributions.

The Organization provides the following core programs:

Early Intervention: Early Intervention Services provide comprehensive support and resources to children ages 0 to 3 to overcome early obstacles, meet key milestones, and establish a foundation for each child to reach their fullest potential. Home-based and center-based services offer vision stimulation and therapy services that help to minimize developmental delays and optimize growth towards an independent future while toddler classrooms, located onsite, focus on healthy development and school readiness.

Education + Enrichment: Through the Organization's Education + Enrichment services, students receive itinerant (within their public school classroom) education support with a dedicated Teacher of the Visually Impaired (TVI), Orientation & Mobility training (O&M), and the opportunity to attend fun and valuable summer camps. Additional Education + Enrichment services include assistive technology training, peer groups, expanded core curriculum, and life-skills development.

Family Support: Our Family Support services enable the Organization to be a resource for families of children with visual impairments and other disabilities throughout the child's entire journey of care. These services not only offer necessary and comforting support to parents, grandparents, siblings, children and more in the form of education, training and inclusive family events, but they also help provide guidance, a sense of community, and more.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP"). A summary of significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

2. Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents are defined as all highly liquid instruments with maturities of less than three months for which the intended purpose is other than facilitating longer term investment objectives.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions — Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions — Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounts Receivable

Accounts receivable consists primarily of non-interest bearing amounts due for program service fees. We determine the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

Pledge Receivable

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. As of June 30, 2021 and June 30, 2020, the present value discount was $225 and $175 using an interest rate of .10% and .14%, respectively.

2. Significant Accounting Policies (continued)

Donated Materials and Services

If materials or other non-cash contributions are received through donation, their value is reflected in the accompanying statements at their estimated fair value at the date of receipt. Contribution of services are recognized if the services received create or enhance nonfinancial assets, require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the financial statements as there is no objective basis for deriving their value. For the years ended June 30, 2021 and 2020, there were no donated materials or services provided to the Organization.

Property and Equipment

The Organization records property and equipment additions of single items over $3,000 at cost, or if donated, at estimated fair value on the date of donation. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 30 years. Property construction-in-progress is recorded at cost and not depreciated. The property is transferred to property and equipment upon completion. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are charged to expense as incurred. The Organization recorded depreciation expense of $59,285 and $64,748 for the years ended June 30, 2021 and 2020, respectively.

Property and equipment are reviewed for impairment whenever management believes that events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. To the extent that the carrying value is determined to be unrecoverable, an impairment loss is recognized through a charge to expense. There was no impairment of property and equipment during the years ended June 30, 2021 and 2020.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

2. Significant Accounting Policies (continued)

Support and Contributions

General support, including pledges, as well as any other unconditional promises to give, are recognized as revenue in the period pledged. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Special event revenues are recognized when earned, whereas expenses are recognized when incurred.

Grants represent contributions if the resources provider receives no value in exchange for the assets transferred, or if the value received is incidental to the potential public benefit to be provided by using the assets. Grants represent an exchange transaction if the potential public benefit to be derived is secondary to the potential benefit received by the resource provider.

Program Fee Revenues and Receivables

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Accounting Standards Codification ("ASC") Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. The underlying principle of the new guidance is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what the entity expects to receive in exchange for the goods or services. The ASU also required expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective July 1, 2020, the first day of the Organization's most recent fiscal year, using the modified retrospective approach.

The adoption of this ASU did not have a significant impact on the Organization's financial statements. The majority of the Organization's revenue arrangements generally consist of contractual performance obligations, over a set period of time, to transfer promised services. Based on the Organization's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

The Organization records revenue based on a five-step model which includes: (1) identifying a contract with a customer; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price among the performance obligations; and (5) recognizing revenue as each of the various performance obligations are satisfied. The Organization only applies the five-step model to contracts when it is probable that it will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

2. Significant Accounting Policies (continued)

Program Fee Revenues and Receivables (continued)

Program fee revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for services provided to children with visual impairments and other disabilities. These amounts are due from regional centers, school districts and insurance payments. All non-covered amounts for additional services are due from the parents/guardians of the children. The Organization bills the program fees on a monthly basis, according to contract. Revenue is recognized over time as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Each contract contains only one performance obligation which is to provide services to children with visual impairments and other disabilities. Revenue for performance obligations satisfied as services are provided over time is recognized when goods or services are provided and the Organization does not believe it is required to provide additional goods or services to the child. Program fees receivable are primarily amounts due from fees billed to children of the Organization's programs and are presented net of allowance for doubtful accounts.

Payments received in advance for future services are deferred and recognized as revenue when the performance obligations are met. Advanced payments are included in deferred revenue in the accompanying statement of financial position and is considered a contract liability under ASC 606.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and others, which are allocated on the basis of estimates of time and effort. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities.

2. Significant Accounting Policies (continued)

Income Taxes

The Organization is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Service ("IRS") as exempt from federal income taxes under Internal Revenue Code ("IRC") Section 501(c)(3) and California Code Section 23701d, qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be private foundations under IRC Sections 509(a)(1) and (3). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization follows ASC 740, *Accounting for Uncertain Taxes*. Under ASC 740, the Organization is required to evaluate the tax positions taken or expected to be taken in the course of preparing the Organization's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are required to be recorded as a tax benefit or expense in the current year. For the years ended June 30, 2021 and 2020, the Organization concluded that there was no impact from ASC 740.

The Organization's income tax filings are subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress. The Organization believes that it is no longer subject to examinations for the years prior to 2016.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Recent Accounting Pronouncements

In February 2016, FASB issued ASU No. 2016-02, Leases. ASU No. 2016-02 was issued to increase transparency and comparability among entities. Lessees will need to recognize nearly all lease transactions (other than leases that meet the definition of a short-term lease) on the statement of financial position as a lease liability and a right-of-use asset (as defined). Lessor accounting under the new guidance will be similar to the current model. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. Early application is permitted. Upon adoption,

2. Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

lessees and lessors will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that entities may elect to apply. The Organization is currently evaluating the effect the provisions of this ASU will have on the financial statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Changes to the Disclosure Requirements for Fair Value Measurement, which clarifies that entities should disclose information about the uncertainty of fair value measurements as of the reporting date. ASU 2018-13 removes the requirement to disclose the amount and reasons for transfers between Level 1 and 2 of the fair value hierarchy table, the policy for timing of transfers between levels, the valuation processes for Level 3 fair value measurements, and the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. ASU 2018-13 requires transfers out of and into Level 3 and purchases and issues of Level 3 assets and liabilities to be disclosed.

Also required to be disclosed is liquidation timing of an investee's assets and the date when restrictions from redemption might lapse. ASU 2018-13 is effective for nonpublic entities for fiscal years beginning after December 15, 2019. A reporting entity should apply amendments retrospectively to all periods presented. The Organization adopted ASU 2018-13 for the year ending June 30, 2021. Adoption of these changes did not have a material impact on the Organization's financial statements.

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The new guidance is intended to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The amendments in this ASU require that entities (1) present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and (2) disclose the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. ASU 2020-07 is effective for fiscal years beginning after June 15, 2021. The Organization is currently evaluating the effect the provisions of this ASU will have on the financial statements.

3. Investments

Investments are required to be reported at fair market value. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure for 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).

3. Investments (continued)

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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 specified (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 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 assets measured at fair value as of June 30, 2021 and 2020 are as follows:

	June 30, 2021			
	Total Fair Value	Level 1	Level 2	Level 3
Municipal Bonds	$ 1,118,832	$ 1,118,832	$ -	$ -
Equities	767,700	767,700	-	-
Total	$ 1,886,532	$ 1,886,532	$ -	$ -

	June 30, 2020			
	Total Fair Value	Level 1	Level 2	Level 3
Certificates of Deposit	$ 495,464	$ -	$ 495,464	$ -
Municipal Bonds	126,923	126,923	-	-
Equities	132,339	132,339	-	-
Total	$ 754,726	$ 259,262	$ 495,464	$ -

3. Investments (continued)

Investment income consisted of, for the years ended:

	June 30, 2021	June 30, 2020
Interest and dividends	$ 17,612	$ 29,710
Realized and unrealized gains	58,840	15,035
	$ 76,452	$ 44,745

4. Accounts Receivable

Accounts receivable consisted of, as of year-end:

	June 30, 2021	June 30, 2020
School districts	$ 30,770	$ 91,201
Regional centers	82,621	51,262
Private pay	1,312	6,180
	$ 114,703	$ 148,643

As of June 30, 2021 and 2020, there was no allowance for doubtful accounts as all amounts were deemed to be fully collectable.

5. Concentrations of Risks

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash, cash equivalents, and investments. The Organization places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure to the amount in excess of the FDIC insurance coverage limit of $250,000. Throughout the years and as of year-end, the Organization may maintain cash balances in banks in excess of federally-insured limits. The Organization does not anticipate nonperformance by the institutions. No FDIC protection exists for brokerage account balances.

Investments are exposed to various risk, such as interest rate, market and credit risk. Risk is managed through frequent monitoring of macroeconomic conditions, investment valuations and communication with investment managers. It is at least reasonably possible that changes in the near term could materially affect the amounts reported in the financial statements.

5. Concentrations of Risks (continued)

As of June 30, 2021 and 2020, accounts receivable totaled $114,703 and $148,643, respectively. The Organization provides a substantial portion of its services to one customer. During 2021, revenues to that customer represented 77% of program revenues and during 2020, revenues to that customer represented 52% of program revenues. At June 30, 2021, the amounts due from that customer was 72% of accounts receivable. At June 30, 2020, the amounts due from that customer was 34% of accounts receivable. No allowance for uncollectible accounts has been established, as substantially all amounts due were subsequently received.

6. Debt

In April 2020, the Organization obtained a Small Business Administration ("SBA") loan as a part of the Paycheck Protection Program related to the global pandemic, COVID-19. The loan principal was $395,200, with an interest rate of 1.00%. Loan forgiveness is permitted based on conditional terms. The Organization received full forgiveness of the loan in February 2021. The Organization recognized the loan forgiveness as grant income in the statements of activities.

In July 2020, the Organization obtained a SBA Economic Injury Disaster Loan ("EIDL") totaling $155,618, which consists of a principal balance of $149,900 and accrued interest of $5,718 as of June 30, 2021. The EIDL loan has an interest rate of 2.75% and must be used to alleviate economic injury caused by COVID-19. The balance and interest will be payable over thirty years from the effective date with the first payment being deferred for two years.

Future minimum principal payments of the EIDL loan as of June 30, 2021 are as follows:

Year Ending June 30,	
2022	$ -
2023	3,605
2024	3,706
2025	3,809
2026	3,915
Thereafter	134,865
	$ 149,900

7. Net Assets

Net assets consisted of, as of year-end:

	June 30, 2021	June 30, 2020
With donor restrictions:		
Time	$ 99,775	$ 74,825
Purpose	60,531	21,964
	160,306	96,789
Without donor restrictions:		
Undesignated	2,258,650	2,012,841
Board designated reserve	500,000	500,000
Net investment in property and equipment	293,379	325,564
	3,052,029	2,838,405
Total net assets	$ 3,212,335	$ 2,935,194

8. Operating Leases

The Organization is committed under a non-cancelable lease agreement for the main facility. The lease was scheduled to expire August 31, 2021, but was extended an additional five years until August 31, 2026. The Organization also leased a small modular space under a month to month agreement. Rent expenses were $123,154 and $107,917 for the years ended June 30, 2021 and June 30, 2020, respectively.

Future minimum payments under the non-cancelable operating lease are:

Year Ending June 30,	School Facility
2022	$ 140,000
2023	165,000
2024	184,500
2025	190,035
2026	195,736
Thereafter	32,782
	$ 908,053

9. Commitments and Contingencies

On March 11, 2020, the World Health Organization declared the novel coronavirus ("COVID-19") outbreak as a pandemic. The outbreak of COVID-19 continues to cause domestic and global disruption in operations for many businesses, however, there has been no significant impact to the Organization's operations. Management has instituted cost-saving measures due to the uncertainties regarding the ultimate financial impact of COVID-19 and will continue to closely monitor the situation to ensure resources are focused and effectively managed. The duration and intensity of the impact of COVID-19 and potential disruption to the Organization's operations and assets are uncertain and could adversely affect future financial results.

10. Retirement Plan

On January 1, 2016, the Organization adopted a 401(k) Qualified Retirement Plan. All employees working at least 1,040 hours per year are eligible to participate. The plan permits employees to make voluntary contributions to the plan up to 100% of their eligible compensation or the maximum amount allowed by law. The Organization matches employee contributions at 25%, not to exceed 6% of their eligible compensation, starting in the second year of their employment. For the years ended June 30, 2021 and 2020, the Organization contributed a total of approximately $13,000 and $15,000, respectively, to the plan.

11. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Liquid assets at:	June 30, 2021
Cash and cash equivalents	$ 1,088,471
Investments	1,886,532
Accounts receivable	114,703
Short-term pledge receivables	58,363
Total financial assets available to meet cash needs for general expenditures within one year	$ 3,148,069

The Organization occasionally receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity with the principle of maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be met. The Organization's expenses, excluding special events, average approximately $234,000 per month, and therefore the Organization has sufficient liquidity reserves to fund approximately thirteen months operations.

12. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Management has evaluated subsequent events through October 29, 2021, the date the financial statements were available to be issued, noting no events requiring disclosure.