Financial Statements and Independent Auditors' Report

beyond blindness™

Building Bright Futures for Children

As of and For the Year Ended June 30, 2022 (With Summarized Comparative Information as of and for the Year Ended June 30, 2021)

BEYOND BLINDNESS

Table of Contents

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Beyond Blindness

Opinion

We have audited the accompanying financial statements of Beyond Blindness (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statement of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

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, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Beyond Blindness and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Beyond Blindness' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Beyond Blindness' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Beyond blindness' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Summarized Comparative Information

We have previously audited Beyond Blindness' June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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
January 4, 2023

BEYOND BLINDNESS

Statement of Financial Position
As of June 30, 2022
(With summarized comparative information as of June 30, 2021)

Assets	**2022**	2021
Current assets:		
Cash and cash equivalents	**$ 860,882**	$ 1,088,471
Investments (Note 3)	**1,886,225**	1,886,532
Accounts receivable (Note 4)	**145,570**	114,703
Short-term pledge receivable	**19,188**	58,363
Prepaid expenses	**50,838**	48,542
Total current assets	**2,962,703**	3,196,611
Long-term portion of pledge receivable, net of discount	**194,671**	99,775
Property and equipment:		
Buildings and improvements	**121,206**	121,206
Leasehold improvements	**319,780**	329,967
Furniture, equipment, and software	**212,604**	180,192
Construction in progress	**48,756**	18,121
Vehicles	**41,653**	41,653
Total property and equipment	**743,999**	691,139
Accumulated depreciation	**(400,824)**	(397,760)
Net property and equipment	**343,175**	293,379
Total assets	**$ 3,500,549**	$ 3,589,765
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	**$ 54,582**	$ 32,829
Accrued payroll and payroll taxes payable	**34,357**	73,237
Accrued vacation payable	**76,816**	86,275
Deferred revenue	**8,450**	29,471
Deferred rent	**28,010**	-
Short-term portion of debt (Note 6)	**6,512**	-
Accrued interest on debt (Note 6)	**9,298**	5,718
Total current liabilities	**218,025**	227,530
Long-term portion of debt (Note 6)	**493,488**	149,900
Total liabilities	**711,513**	377,430
Commitments and contingencies (Notes 6, 8, and 9)		
Net assets (Note 8)		
With donor restrictions	**245,797**	160,306
Without donor restrictions	**2,543,239**	3,052,029
Total net assets	**2,789,036**	3,212,335
Total liabilities and net assets	**$ 3,500,549**	$ 3,589,765

See independent auditors' report and notes to financial statements.

BEYOND BLINDNESS

Statement of Activities
For the Year Ended June 30, 2022
(With summarized comparative information as of June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	**Total 2022**	Total 2021
Revenues				
Revenue and other support:				
Program fees	$ 1,223,886	$ -	**$ 1,223,886**	$ 965,526
Foundation donors	216,426	524,500	**740,926**	552,395
Individual and group donors	362,813	200,000	**562,813**	521,788
Special events, net of $234,933 of direct expenses	232,120	-	**232,120**	242,237
Employee retention credit	178,574	-	**178,574**	-
Commercial organization donors	113,819	-	**113,819**	89,920
Legacies and bequests	49,973	-	**49,973**	70,224
Grants and other contributions	28,941	-	**28,941**	32,325
Contributions of non-financial assets	1,100	-	**1,100**	-
Investment (loss) gain, net	(240,970)	-	**(240,970)**	76,321
Grant from PPP loan	-	-	-	395,200
Net assets released from restrictions	639,009	(639,009)	-	-
Total revenue and other support	2,805,691	85,491	**2,891,182**	2,945,936
Expenses				
Functional expenses:				
Program services	2,412,487	-	**2,412,487**	1,695,893
Support services:				
Management and general	436,841	-	**436,841**	671,479
Fundraising	465,153	-	**465,153**	301,423
Total functional and support service expenses	3,314,481	-	**3,314,481**	2,668,795
Change in net assets				
(Decrease) increase in net assets	(508,790)	85,491	**(423,299)**	277,141
Net assets, beginning of year	3,052,029	160,306	**3,212,335**	2,935,194
Net assets, end of year	$ 2,543,239	$ 245,797	**$ 2,789,036**	$ 3,212,335

See independent auditors' report and notes to financial statements.

BEYOND BLINDNESS

Statement of Functional Expenses
For the Year Ended June 30, 2022
(With summarized comparative information as of June 30, 2021)

	Program Services	Supporting Services			
	Early Intervention and Education	Management and General	Fund-raising	**Totals 2022**	Totals 2021
Salaries and Wages	$ 1,596,694	$ 142,873	$ 204,500	$ **1,944,067**	$ 1,545,834
Employee Benefits	112,819	22,728	14,002	**149,549**	160,498
Payroll Taxes	117,640	30,978	15,066	**163,684**	150,166
Rent	135,381	13,707	23,511	**172,599**	123,154
Fund Development Support	-	-	44,159	**44,159**	61,483
Accounting Fees	-	42,418	2,204	**44,622**	60,613
Depreciation and Amortization	14,223	14,223	14,223	**42,669**	59,285
Public Relations	17,190	6,320	39,440	**62,950**	51,000
Staff Development	18,600	8,173	2,718	**29,491**	38,885
Technology Software	25,280	3,606	15,733	**44,619**	36,599
Human Resources	25,840	8,248	8,323	**42,411**	-
Janitorial Services	5,964	701	1,374	**8,039**	-
Telephone / Internet	34,344	3,220	4,574	**42,138**	34,946
Marketing	46,580	9,918	15,977	**72,475**	32,850
Audit and Tax Preparation	-	34,200	-	**34,200**	31,969
Utilities / Gas / Electric	27,595	4,155	4,270	**36,020**	30,496
Travel and Mileage	50,613	113	337	**51,063**	26,538
Business Insurance	21,721	4,217	3,481	**29,419**	22,704
Program Contractors	31,483	12,201	1,800	**45,484**	21,733
Agency Owned Property/Buildings	768	106	57	**931**	21,000
Promotional Products / Mailings	5,187	4,529	4,254	**13,970**	18,345
Dues, Fees and Subscriptions	5,555	7,987	5,440	**18,982**	11,595
Information Technology	9,559	1,790	1,620	**12,969**	11,287
Board Development	-	5,659	-	**5,659**	11,272
Copier / Equipment Rental	5,003	3,251	770	**9,024**	10,192
Loss Fixed Asset Disposal	-	3,557	-	**3,557**	9,511
Credentialing and Other Fees	414	-	-	**414**	9,500
Printing and Postage	2,386	1,846	16,702	**20,934**	8,863
Supplies-Program and Office	7,864	6,179	8,738	**22,781**	8,655
Janitorial Supplies	7,121	1,655	591	**9,367**	7,615
Payroll Fees	483	9,182	72	**9,737**	7,364
Staff Training and Safety	5,918	4,281	577	**10,776**	6,960
Church Properties	8,060	936	440	**9,436**	6,819
Legal	-	7,525	330	**7,855**	6,750
Special Event Expenses	-	-	2,348	**2,348**	-
Bank / Credit Card Fees	1,850	607	4,848	**7,305**	6,597
Interest Expense	-	3,580	-	**3,580**	4,894
Food / Consumables	3,176	1,355	197	**4,728**	3,427
Technology Hardware	4,263	4,861	42	**9,166**	3,320
Enrichment / Education	56,250	-	-	**56,250**	2,902
Vehicle Gas and Repairs	571	-	24	**595**	1,042
Meetings	377	4,073	2,019	**6,469**	874
Other Expenses	-	-	-	**-**	416
Bad Debt Account	-	-	-	**-**	408
Repairs and Maintenance	-	-	-	**-**	285
Volunteer Services	-	950	258	**1,208**	100
Taxes / Licenses	5,643	933	134	**6,710**	29
Modulars	-	-	-	**-**	20
Substitute Teachers/Therapists	72	-	-	**72**	-
Total expenses	$ 2,412,487	$ 436,841	$ 465,153	$ **3,314,481**	$ 2,668,795

See independent auditors' report and notes to financial statements.

BEYOND BLINDNESS

Statement of Cash Flows
For the Year Ended June 30, 2022
(With summarized comparative information as of June 30, 2021)

	2022	2021
Cash flows from operating activities		
Change in net assets	$ **(423,299)**	$ 277,141
Non-cash items included in change in net assets:		
Payroll Protection Program loan forgiveness	**-**	(395,200)
Realized and unrealized loss (gain) on securities	**289,266**	(58,840)
Depreciation and amortization	**42,669**	59,285
Loss on fixed asset disposal	**3,557**	9,511
Discount on long-term pledges receivable	**5,329**	50
Changes in operating assets and liabilities		
Accounts receivable	**(30,867)**	33,940
Pledge receivable	**(61,050)**	(83,363)
Prepaid expenses	**(2,296)**	(18,642)
Accounts payable	**21,753**	(7,717)
Accrued payroll and payroll taxes payable	**(38,880)**	7,631
Accrued vacation payable	**(9,459)**	7,417
Accrued interest	**3,580**	-
Deferred revenue	**(21,021)**	29,471
Deferred rent	**28,010**	-
Net cash used in operating activities	**(192,708)**	(139,316)
Cash flows from investing activities		
Purchases of investments in equity shares and bonds	**(1,919,411)**	(5,926,600)
Sales of investments in equity shares and bonds	**1,630,452**	4,853,634
Acquisition of property and equipment	**(96,022)**	(36,611)
Net cash used in investing activities	**(384,981)**	(1,109,577)
Cash flows from financing activities		
Proceeds from issuance of debt	**350,100**	149,900
Net cash provided by financing activities	**350,100**	149,900
Net decrease in cash and cash equivalents	**(227,589)**	(1,098,993)
Cash and cash equivalents - beginning of year	**1,088,471**	2,187,464
Cash and cash equivalents - end of year	$ **860,882**	$ 1,088,471
Supplemental disclosures of cash flow information		
Cash paid for interest	$ **-**	$ 4,893

See independent auditors' report and notes to financial statements.

1. Nature of Operations

Beyond Blindness (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 Internal Revenue 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, orientation & mobility training, 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)

Reclassification

Certain amounts in the prior year's statement of activities, statement of functional expenses, and statement of cash flows have been reclassified for comparative purposes to conform to current year's presentation.

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. Management determines 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 revenue in the statement

2. Significant Accounting Policies (continued)

Pledge Receivable (continued)

of activities. Management determines 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, 2022 and June 30, 2021, the present value discount was \$5,329 and \$225 using an interest rate of 1.68% and .1%, respectively.

Contributions of Nonfinancial Assets

In September 2020, the FASB issued Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The Organization adopted the new standard effective July 1, 2021, the first day of the Organization's most recent fiscal year. The adoption of this ASU did not have a significant impact on the Organization's financial statements. Contributed nonfinancial assets for the years ended June 30, 2022 and 2021 were \$1,100 and \$0 of donated materials provided to the Organization, respectively.

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 \$42,669 and \$59,285 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021.

2. Significant Accounting Policies (continued)

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 statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

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

The Organization recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. ASC 606 applies to exchange transactions and requires the Organization to follow a five step process: (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.

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. 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

2. Significant Accounting Policies (continued)

Program Fee Revenues and Receivables (continued)

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 statement 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.

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.

2. Significant Accounting Policies (continued)

Income Taxes (continued)

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, 2022 and 2021, 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.

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, 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.

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, 2022 and 2021 are as follows:

	June 30, 2022			
	Total Fair Value	Level 1	Level 2	Level 3
Municipal Bonds	$ 1,167,819	$ 1,167,819	$ -	$ -
Equities	718,406	718,406	-	-
Total	$ 1,886,225	$ 1,886,225	$ -	$ -

	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	$ -	$ -

3. Investments (continued)

Investment income consisted of, for the years ended:

	June 30, 2022	June 30, 2021
Interest and dividends	$ 69,933	$ 17,612
Realized and unrealized (losses) gains	(289,266)	58,840
Less: Investment fees	(21,637)	(131)
	$ (240,970)	$ 76,321

4. Accounts Receivable

Accounts receivable consisted of, as of year-end:

	June 30, 2022	June 30, 2021
School districts	$ 39,434	$ 30,770
Regional centers	104,926	82,621
Private pay	1,210	1,312
	$ 145,570	$ 114,703

As of June 30, 2022 and 2021, 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 Federal Deposit Insurance Corporation ("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, 2022 and 2021, accounts receivable totaled $145,570 and $114,703, respectively. The Organization provides a substantial portion of its services to one customer. During 2022 and 2021, program revenues from that customer represented 76% and 77%, respectively. At June 30, 2022 and 2021, the amounts due from that customer in accounts receivable was 71% and 72%, respectively. No allowance for uncollectible accounts has been established based on management's assessment of collectability as of year-end.

6. Debt

In July 2020, the Organization obtained a Small Business Association ("SBA") Economic Injury Disaster Loan ("EIDL") totaling $149,900. The EIDL loan has an interest rate of 2.75% and must be used to alleviate economic injury caused by COVID-19. Then, in May 2022, the Organization received an additional EIDL loan of $350,100 from the SBA with the same interest rate. The balance and interest will be payable over thirty years from the effective date with the first payment beginning January 2023.

Future minimum principal payments of the EIDL loan as of June 30, 2022 are as follows:

Year Ending June 30,	
2023	$ 6,512
2024	13,296
2025	13,666
2026	14,047
2027	14,438
Thereafter	438,041
	$ 500,000

7. Employee Retention Credits

Beyond Blindness received $178,574 in Employee Retention Credits ("ERC") for the year ended June 30, 2022 due to a partial suspension of their operations because of governmental limitation orders. This tax credit is a refundable tax credit against employment taxes equal to 50% of the qualified wages an eligible employer paid to employees after March 12, 2020 and before January 1, 2021. These qualified wages were different from the wages used for the Paycheck Protection Program, which the Company received forgiveness of in the prior year.

8. Net Assets

Net assets consisted of, as of year-end:

	June 30, 2022	June 30, 2021
With donor restrictions:		
Time	$ 194,671	$ 99,775
Purpose	51,126	60,531
	245,797	160,306
Without donor restrictions:		
Undesignated	1,700,064	2,258,650
Board designated reserve	500,000	500,000
Net investment in property and equipment	343,175	293,379
	2,543,239	3,052,029
Total net assets	$ 2,789,036	$ 3,212,335

9. 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 $172,599 and $123,154 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

Year Ending June 30,	School Facility
2023	$ 165,000
2024	184,500
2025	190,035
2026	195,736
2027	32,782
	$ 768,053

Notes to Financial Statements (continued)
For the Year Ended June 30, 2022
(With summarized comparative information as of June 30, 2021)

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, 2022 and 2021, the Organization contributed approximately $15,000 and $13,000, 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 June 30, 2022, comprise the following:

Cash and cash equivalents	$ 860,882
Investments	1,886,225
Accounts receivable	145,570
Short-term pledge receivables, net	19,188
Total financial assets	2,911,865
Less: amounts with purpose related donor restrictions	51,126
Less: amounts board designated for reserve	500,000
Total financial assets available for general expenditures within one year	$ 2,360,739

The table above reflects board designated reserve funds as unavailable because it is the Organization's intention to invest those resources for that specific designation. However, in the case of need, the Board of Directors could appropriate such resources for general expenditure.

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 $278,000 per month, and therefore the Organization has sufficient liquidity reserves to fund approximately eight and half month's operations. The Organization receives program revenue in connection with those expenses, leaving the Organization with sufficient resources, in management's opinion, to fund general expenditures for at least the next year from the financial statement issuance date.

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 January 4, 2023, the date the financial statements were available to be issued, noting no events requiring disclosure.