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Inward Bound Mindfulness Education, Inc.

Financial Statements

October 31, 2021 and 2020

Management's Discussion and Analysis
Fiscal Year End October 31, 2021

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes. In addition to historical information, this discussion and analysis contains forward looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors.

Inward Bound Mindfulness Education (iBme) provides immersive mindfulness programming for youth and the parents and professionals who support them. Our programs guide participants in developing self-awareness, compassion, and ethical decision making. Participants become empowered to apply these skills in improving their lives and communities.

Responding to the Challenges of a Global Pandemic

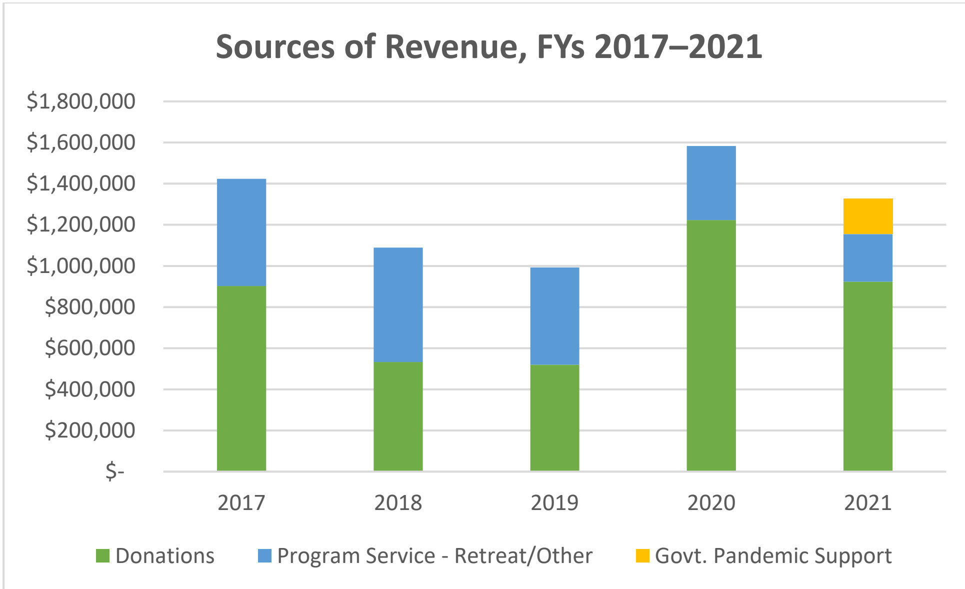
The on-going COVID-19 pandemic, which began in March 2020, has brought unprecedented operational and financial challenges to the country and the world; iBme has not been immune to such challenges. Our core program—in-person residential retreats—as well as our primary audience—teens and young adults—were severely impacted by the pandemic.

iBme quickly responded to these challenges by adapting the delivery of our core programs and moving them to an online platform while also piloting new offerings for our community. The transformation happened practically overnight with our first online retreat starting March 15, 2020.

The past two years of online programming have been a resounding success: Since the start of the pandemic, we have offered more than 150 online programs spanning retreats, courses, and drop-in classes to nearly 4,000 participants. We also held in-person retreats in Massachusetts and Michigan during the summer and fall of 2021. Whether in-person or online, in every retreat, our teachers, health coordinators, and mentors sought to tend to the extraordinarily difficult moment teens are living in. We continue to operate in a way that means no teen or young adult is ever turned away for lack of funds.

Changing Sources of Revenue

The pandemic significantly decreased iBme's Program Service revenue in 2020 and 2021. However, Donations and Government Pandemic Support offset the programmatic revenue deficits.



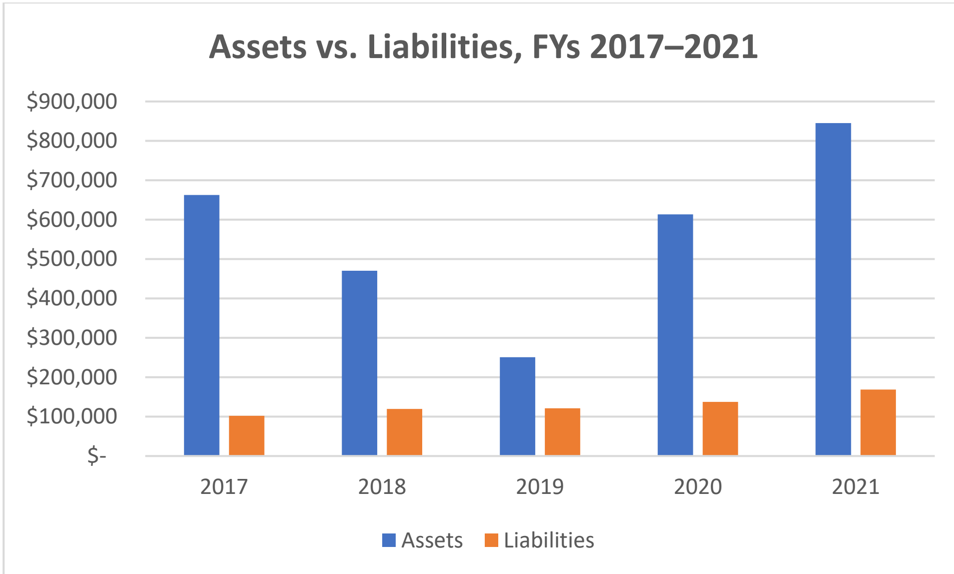
- In 2020, the pandemic forced the cancellation of all in-person retreats. In 2021, all in-person retreats had to be cancelled once again, with the exception of our summer Northeast retreat and fall Michigan retreat; this shift cut Program Service revenue (in blue in the figure above) nearly in half.

- Fortunately, Donations (in green in the figure above) more than doubled in 2020 and were substantially higher than in years prior to 2020 and 2021. These increases compensated for a substantial portion of lost retreat revenue. However, based upon the decrease in Donations from 2020 to 2021, it appears that this revenue source might not be as substantial an offset for programmatic revenue losses in the future.

- Also in 2021, Governmental Pandemic Support (in orange in the figure above) offset the remaining portion of lost retreat revenue. At this point, the government has not renewed pandemic-related grant initiatives, so it is unlikely that iBme will receive additional similar support in the future.

Assets and Liabilities

iBme has conscientiously ensured that its Assets are well in excess of its Liabilities.



- Assets decreased in 2018 and 2019, with expenses exceeding revenue, but bounced back in 2020 and 2021 thanks to additional Donations and Government Funding. We have incurred few additional Liabilities year-over-year during the past five years.

- Assets are primarily comprised of cash year over year. This benefits iBme due to the liquid nature of cash.

- iBme has averaged approximately 109 days of Cash on Hand, or approximately three-and-a-half months, over the past five years. In 2021, iBme had approximately 153 days of Cash on Hand.

    - As a result of the recent positive trend, our Board established an operating reserve fund in October 2021, and transferred $100,000 in early FY2022 to the reserve fund to weather potential negative financial results in the future. At today's cost of operations, the fund provides approximately one month of relief from expenditures.

- We hope to celebrate our soon-to-be-released Strategic Plan in the up-coming year by kicking off a capacity building campaign. This would provide, among other things, additional reserve fund resources to better ensure the stability of the mission, programs, employment, and ongoing operations of the organization.

Despite the operational challenges associated with the COVID-19 pandemic, iBme continued to support our community and core program participants by successfully pivoting our operations to a virtual platform within a very short timeframe. We have also been fortunate to receive additional financial support from Donations and Government Funding to bridge the gap in lost income from retreats. While we believe that pandemic-related government grants have paused, if not completely concluded, we are hopeful that revenue from Donations will increase to make up that differential. This will ensure iBme's increasing community impact through the continuation of our new and on-going mission-driven programming well into the future.

Independent Auditor's Report

To the Board of Directors
Inward Bound Mindfulness Education, Inc.

We have audited the accompanying financial statements of Inward Bound Mindfulness Education, Inc. (the Organization), which comprise the statement of financial position as of October 31, 2021, and the related statements 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Organization'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 Organization'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inward Bound Mindfulness Education, Inc. as of October 31, 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 2020 Financial Statements

The financial statements of Inward Bound Mindfulness Education, Inc. as of and for the year ended October 31, 2020 were audited by other auditors whose report dated February 11, 2021 expressed an unmodified opinion on those statements.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
March 10, 2022

October 31	**2021**	2020
Assets		
Current Assets:		
Cash	**$ 472,982**	$ 375,329
Current Portion of Contributions Receivable	**230,000**	196,585
Other Receivable	**78,616**	-
Prepaid Expenses and Other Current Assets	**21,444**	9,977
Total Current Assets	**803,042**	581,891
Contributions Receivable, Net of Current Portion	**42,000**	30,000
Security Deposits	**-**	1,650
Total Assets	**$ 845,042**	$ 613,541
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	**$ 19,072**	$ 3,004
Accrued Expenses	**47,441**	47,562
Deferred Revenue	**102,169**	-
Total Current Liabilities	**168,682**	50,566
Long-Term Debt - Paycheck Protection Program	**-**	87,040
Total Liabilities	**168,682**	137,606
Net Assets:		
Net Assets without Donor Restrictions	**590,631**	184,765
Net Assets with Donor Restrictions	**85,729**	291,170
Total Net Assets	**676,360**	475,935
Total Liabilities and Net Assets	**$ 845,042**	$ 613,541

For the Years Ended October 31			**2021**			2020
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Contributions	**$ 712,849**	**$ 127,676**	**$ 840,525**	$ 480,951	$ 639,416	$ 1,120,367
Program Services Revenue	**224,926**	**-**	**224,926**	349,724	-	349,724
Special Events, Net of Direct Expenses of $909 and $4,070, respectively	**82,702**	**-**	**82,702**	98,828	-	98,828
Other Revenue	**6,384**	**-**	**6,384**	9,886	-	9,886
Net Assets Released from Restriction	**333,117**	**(333,117)**	**-**	476,196	(476,196)	-
Total Revenue and Other Support	**1,359,978**	**(205,441)**	**1,154,537**	1,415,585	163,220	1,578,805
Operating Expenses:						
Program Services	**878,720**	**-**	**878,720**	890,737	-	890,737
General and Administrative	**149,026**	**-**	**149,026**	137,199	-	137,199
Fundraising	**98,392**	**-**	**98,392**	204,845	-	204,845
Total Operating Expenses	**1,126,138**	**-**	**1,126,138**	1,232,781	-	1,232,781
Increase (Decrease) in Net Assets from Operations	**233,840**	**(205,441)**	**28,399**	182,804	163,220	346,024
Nonoperating Activities:						
Extinguishment of Long-Term Debt - Paycheck Protection Program	**172,026**	**-**	**172,026**	-	-	-
Total Nonoperating Activities	**172,026**	**-**	**172,026**	-	-	-
Increase (Decrease) in Net Assets	**405,866**	**(205,441)**	**200,425**	182,804	163,220	346,024
Net Assets, Beginning of Year	**184,765**	**291,170**	**475,935**	1,961	127,950	129,911
Net Assets, End of Year	**$ 590,631**	**$ 85,729**	**$ 676,360**	$ 184,765	$ 291,170	$ 475,935

The accompanying notes are an integral part of these financial statements.

For the Years Ended October 31			**2021**					2020
	Program Services	**General and Administrative**	**Fundraising**	**Total**	Program Services	General and Administrative	Development	Total
Payroll	**$ 327,048**	**$ 53,183**	**$ 58,625**	**$ 438,856**	$ 187,908	$ 49,405	$ 153,802	$ 391,115
Retreat Expense	**312,336**	**2,654**	**648**	**315,638**	331,189	353	-	331,542
Marketing and Advertising	**116,299**	**8,431**	**14,560**	**139,290**	111,306	10,755	6,712	128,773
Contracted Services	**38,154**	**54,143**	**4,324**	**96,621**	155,821	56,325	8,865	221,011
Employee Benefits	**26,869**	**12,332**	**4,657**	**43,858**	26,756	5,055	15,737	47,548
Payroll Taxes	**26,551**	**4,248**	**4,601**	**35,400**	16,545	4,282	13,329	34,156
Office Expense	**10,616**	**1,931**	**6,904**	**19,451**	19,914	2,544	7,835	30,293
Other Expense	**3,909**	**8,323**	**2,046**	**14,278**	16,042	2,676	2,635	21,353
Insurance	**8,360**	**2,409**	**1,449**	**12,218**	13,087	1,965	-	15,052
Credit Card and Bank Fees	**6,138**	**982**	**1,064**	**8,184**	8,280	3	-	8,283
Telecommunications	**2,440**	**390**	**423**	**3,253**	3,754	-	-	3,754
Bad Debt	**-**	**-**	**-**	**-**	-	3,691	-	3,691
Depreciation	**-**	**-**	**-**	**-**	-	145	-	145
Interest Expense	**-**	**-**	**-**	**-**	135	-	-	135
Total Expenses	**878,720**	**149,026**	**99,301**	**1,127,047**	890,737	137,199	208,915	1,236,851
Less: Expenses Included with Revenue on the Statements of Activities	**-**	**-**	**909**	**909**	-	-	4,070	4,070
	$ 878,720	**$ 149,026**	**$ 98,392**	**$ 1,126,138**	$ 890,737	$ 137,199	$ 204,845	$ 1,232,781

The accompanying notes are an integral part of these financial statements.

For the Years Ended October 31		**2021**		2020
Cash Flows from Operating Activities:				
Increase in Net Assets	**$**	**200,425**	$	346,024
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:				
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program		**(172,026)**		-
Depreciation Expense		**-**		145
Increase in Current Portion of Contributions Receivable		**(45,415)**		(56,684)
Increase in Other Receivable		**(78,616)**		-
Increase in Prepaid Expenses and Other Current Assets		**(11,467)**		(1,520)
Decrease in Security Deposits		**1,650**		-
Increase (Decrease) in Accounts Payable		**16,068**		(20,496)
(Decrease) Increase in Accrued Expenses		**(121)**		1,299
Increase (Decrease) in Deferred Revenue		**102,169**		(51,303)
Net Cash Provided by Operating Activities		**12,667**		217,465
Net Cash Provided by Financing Activities:				
Borrowings from Long-Term Debt - Paycheck Protection Program		**84,986**		87,040
Net Increase in Cash		**97,653**		304,505
Cash, Beginning of Year		**375,329**		70,824
Cash, End of Year	**$**	**472,982**	$	375,329

Supplemental Disclosure of Cash Flow Information:

Cash Paid During the Year for Interest	**$**	**-**	$	135

The accompanying notes are an integral part of these financial statements.

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: Inward Bound Mindfulness Education, Inc. (the Organization) is a nonprofit organization incorporated on July 7, 2010 in the Commonwealth of Massachusetts. The Organization offers in-depth mindfulness programming for youth and the parents and professionals who support them. The Organization's programming guides teens and young adults in developing self-awareness, compassion and ethical decision making, and empowers them to apply these skills in improving their lives and communities.

Basis of Presentation: The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB).

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

> *Net Assets without Donor Restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.
>
> *Net Assets with Donor Restrictions*: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue and Other Support: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenue represents amounts derived from program service fees and contributions.

Special events revenue is recorded at the time of the event net of direct costs of benefits to donors.

Revenue is recognized when control of the goods and services provided is transferred to the Organization's customers and in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the Organization satisfies the performance obligations.

Program services revenue is recognized when the services are performed.

The Organization typically invoices its customers as services are provided. Typical payment terms provide that customers pay upon receipt of the invoice.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

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

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

The Organization must determine whether a contribution (or a promise to give) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The Organization cannot consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Contract Balances: The Organization's contract balances, resulting from contracts with customers include deferred revenue.

- *Deferred Revenue*: Deferred revenue represents payments received for which the aforementioned revenue recognition criteria have not been met.

Cash: The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, contributions receivable, and other receivable. The Organization maintains its cash with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash. Contributions receivable and other receivable are carried at amounts based upon management's judgment of potential defaults. Management identifies troubled receivables balances by assessing the donor's credit worthiness. As of October 31, 2021 and 2020, management has determined all receivables are collectible.

Advertising Costs: The Organization expenses advertising costs as incurred. During the years ended October 31, 2021 and 2020, the Organization incurred advertising expense in the amounts of $139,290 and $128,773, respectively.

Functional Allocation of Expenses: The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statements of activities.

Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

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

The expenses that are allocated include the following:

Expense	Method of Allocation
Payroll	Time and Effort
Payroll Taxes	Time and Effort
Employee Benefits	Time and Effort
Credit Card and Bank Fees	Time and Effort
Insurance	Time and Effort
Office Expense	Time and Effort
Telecommunications	Time and Effort
Other Expense	Time and Effort

Income Taxes: The Organization is a nonprofit Organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of October 31, 2021 and 2020, management believes that the Organization has not generated any unrelated business taxable income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities. The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of October 31, 2021 and 2020. The Organization does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Reclassification: Certain accounts in the October 31, 2020 financial statements have been reclassified for comparative purposes to conform to the presentation in the October 31, 2021 financial statements. Accrued payroll and payroll liabilities have been reclassified to accrued liabilities, occupancy and travel expenses have been reclassified to other expense and program revenue have been reclassified to special events revenue.

Subsequent Events: Management has evaluated subsequent events spanning the period from October 31, 2021 through March 10, 2022, the date the financial statements were available to be issued.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of October 31, 2021 and 2020, reduced by amounts not available for general use within one year of October 31, 2021 and 2020 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2021	2020
Cash	$ 472,982	$ 375,329
Current Portion of Contributions Receivable	230,000	196,585
Contributions Receivable, Net of Current Portion	42,000	30,000
Other Receivable	78,616	-
Total Financial Assets at End of Year	823,598	601,914
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Purpose Restrictions	85,729	291,170
Contributions Receivable, Net of Current Portion	42,000	30,000
	127,729	321,170
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	$ 695,869	$ 280,744

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due.

3. Related Party Transactions:

During the years ended October 31, 2021 and 2020, three and two members of the Organization's Board of Directors received stipends in the aggregate amounts of $49,548 and $22,129, respectively, for teaching and program support.

4. Contributions Receivable:

Contributions receivable as of October 31, 2021 and 2020 consists of the following:

	2021	2020
Receivable in Less than One Year	$ 230,000	$ 196,585
Receivable in One to Five Years	42,000	30,000
	272,000	226,585
	$ 272,000	$ 226,585

5. Property and Equipment:

Property and equipment as of October 31, 2020 consisted of fully depreciated furniture and fixtures in the amount of $4,831. Depreciation expense for the year ended October 31, 2020 amounted to $145. There was no depreciation expense for the year ended October 31, 2021, as all property and equipment had fully depreciated.

6. Long-Term Debt - Paycheck Protection Program:

CARES Act: On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law to provide certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the CARES Act and submitted a loan application with a qualified lender for funding under the Paycheck Protection Program (PPP), administered by the Small Business Association (SBA).

On May 4, 2020, the Organization's application with the lender was approved and as a result, the Organization obtained a loan (the PPP Loan) in the amount of $86,014. The PPP Loan bore fixed interest at 1.00% per annum, which began accruing from the date of the loan, and was set to mature on May 4, 2022. The PPP Loan was unsecured and guaranteed by the SBA. The PPP Loan was eligible to be forgiven provided the Organization satisfied certain conditions and upon approval by the lender and the SBA. The PPP Loan provided for the deferral of payments until the SBA had determined the forgiveness amount, at which time, any remaining PPP loan amount would have required equal monthly payments of principal plus accrued interest in an amount sufficient to have repaid the remaining PPP loan balance by the maturity date. On May 24, 2021, the Organization obtained from the SBA notification of forgiveness of the entire balance of the PPP Loan, in the amount of $86,014, which was recorded to other income as a gain on extinguishment in the accompanying statements of activities. Accrued interest on the PPP Loans was determined to be immaterial to the financial statements.

Consolidated Appropriations Act: On December 27, 2020, the Consolidated Appropriations Act was enacted and signed into law, which in part, was designated to provide certain aid and stimulus to the U.S. economy. The Organization qualifies as a small business under the Consolidated Appropriations Act and submitted a loan application with a qualified lender for funding under the PPP, administered by the SBA.

On February 18, 2021, the Organization's application with the lender was approved and as a result, the Organization obtained a loan (the Second PPP Loan) in the amount of $86,012. The Second PPP Loan bore fixed interest at 1.00% per annum, which began accruing from the date of the loan, and was set to mature on February 18, 2026. The Second PPP Loan was unsecured and guaranteed by the SBA. The Second PPP Loan was eligible to be forgiven provided the Organization satisfied certain conditions and upon approval by the lender and the SBA. The Second PPP Loan provided for the deferral of payments until the SBA had determined the forgiveness amount, at which time, any remaining PPP loan amount would have required equal monthly payments of principal plus accrued interest in an amount sufficient to have repaid the remaining PPP loan balance by the maturity date. On August 30, 2021, the Organization obtained from the SBA notification of forgiveness of the entire balance of the Second PPP Loan, in the amount of $86,014, which was recorded to other income as a gain on extinguishment in the accompanying statements of activities. Accrued interest on the Second PPP Loan was determined to be immaterial to the financial statements.

7. Employee Retention Credit:

The CARES Act contains certain provisions that allow for a refundable tax credit (Employee Retention Credit) against certain employment taxes equal to (i) 50% of the first $10,000 in qualified wages paid to each employee after March 12, 2020 and before January 1, 2021 and (ii) 70% of the first $10,000, per quarter, in qualified wages paid to each employee between January 1, 2021 and December 31, 2021. The Employee Retention Credit is subject to certain conditions and eligibility requirements, as defined, which are subject to review by the Federal government.

The Organization qualifies for and has obtained an Employee Retention Credit in the amount of $78,616, which is included in contributions without donor restrictions in the accompanying statements of activities for the year ended October 31, 2021, with a corresponding receivable that is included in other receivable in the accompanying statements of financial position as of October 31, 2021.

8. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of October 31, 2021 and 2020 consist of the following:

	2021	2020
Subject to Expenditure for Specified Purpose:		
Scholarships	$ 67,328	$ 134,230
Program Support	18,401	156,940
Total Purpose Restrictions	85,729	291,170
Total Net Assets with Donor Restrictions	$ 85,729	$ 291,170

9. Net Assets Released from Restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended October 31, 2021 and 2020 consist of the following:

	2021	2020
Scholarships	$ 174,302	$ 157,781
Program Support	158,815	318,415
	$ 333,117	$ 476,196

10. Operating Leases:

The Organization leased office space and total rent expense amounted to $1,200 and $10,560 for the years ending October 31, 2021 and 2020, respectively. The lease on the office space expired as of December 31, 2020 and was not renewed.

11. Retirement Plan:

The Organization sponsors a defined contribution plan covering substantially all of its employees who meet certain eligibility requirements. The Organization makes a 3% matching contribution of eligible employees' wages to the plan. During the years ended October 31, 2021 and 2020, the Organization made matching contributions to the plan in the amounts of $11,678 and $13,970, respectively.

12. Economic Dependency:

As of October 31, 2021 and 2020, contributions receivable from four and three donors represented approximately 92% and 100%, each respectively, of the Organization's total contributions receivable.

13. Risks and Uncertainties:

On January 30, 2020, the World Health Organization (WHO) announced an international public health emergency related to the COVID-19 outbreak. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The impact of the COVID-19 outbreak has resulted in economic uncertainties. The extent to which the Organization's financial results will be affected cannot be reasonably estimated at this time.

14. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of October 31, 2021 and 2020, no amounts have been accrued related to such indemnification provisions.