Inward Bound Mindfulness Education, Inc.

Financial Statements

October 31, 2022 and 2021

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Management Discussion & Analysis
FYE 10/31/2022

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. iBme's highly transformative programs provide a rare opportunity for young people to experience deep, prolonged insight into their own experience and to find authentic connection within a fun and welcoming community of peers and adult mentors. Using research-backed formats and trauma-informed teaching frameworks, we impart lessons in self-awareness and empathy and teach techniques that young people can use to calm and focus the mind and more effectively navigate life's challenges.

Emerging from COVID-19's Challenges with a $1M Capacity Building Campaign

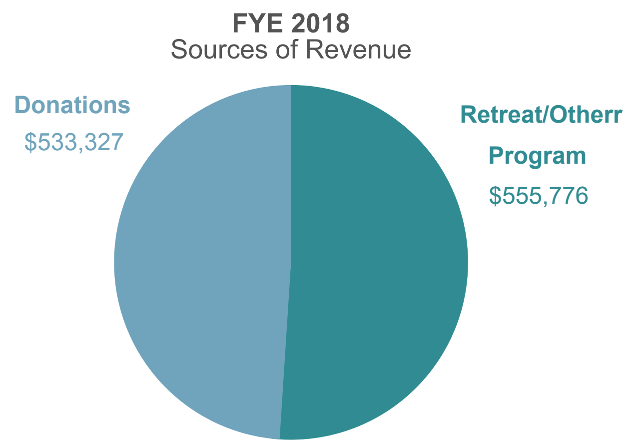
iBme is looking ahead to a bright programmatic and financial future as we enter into an ambitious but realistic capacity building campaign, with a goal of raising$1 million during FYE 2023 and 2024. With over one-third of those funds already raised, we are well on our way to achieving this milestone. Campaign funds will be used to execute our recently published three-year strategic vision titled "We are boundless". Once fulfilled, campaign funds will significantly increase the number of teens we are able to serve on retreat through new regional retreats, custom program partnerships, and affiliated offerings from iBme-trained teachers. This evolved business model reflects our strategic goal of generating more earned income to support our long-term sustainability.

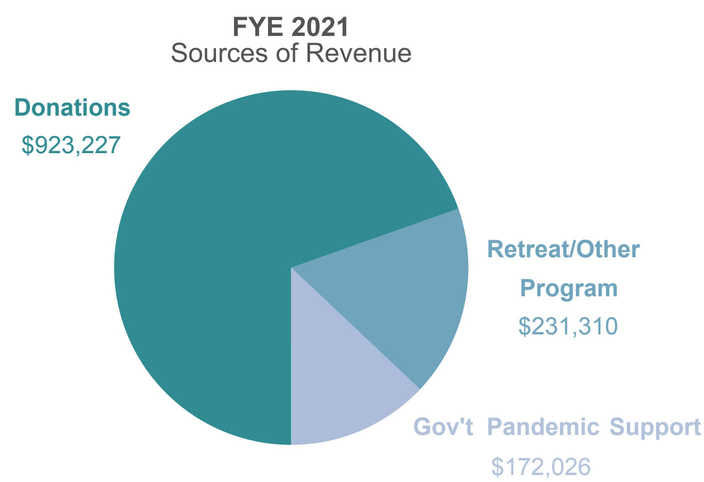
Retrospectively, iBme worked hard to address the COVID-19 pandemic's unprecedented operational and financial challenges by swiftly moving our core programs to an online platform and piloting new offerings for our community. Such measures were an effective stopgap, but nothing replaces the benefits of our in-person programs. In addition, many of our older teen program participants aged out of iBme's programs during the pandemic. Our financial results for FYE 2022 reflect the pandemic challenges; however, such results were anticipated and budgeted for accordingly. iBme is now rebuilding our audience base and recommencing a full schedule of in-person, full-capacity retreat offerings. Whether in-person or online, in every retreat, our teachers, health coordinators, and mentors seek 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. We anticipate that the years ahead will be brighter from a financial perspective.

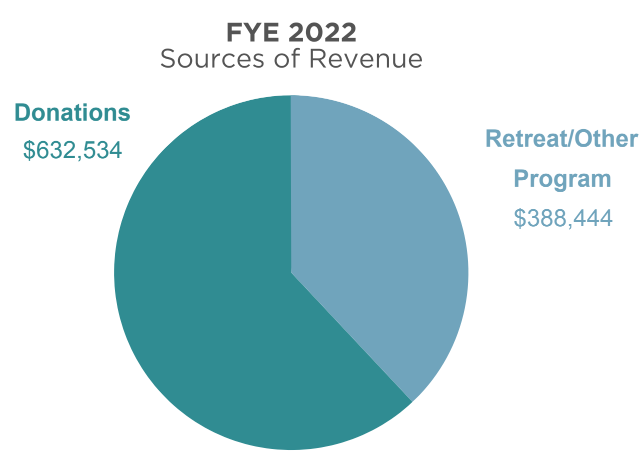
Changing Sources of Revenue

While the pandemic decreased iBme's Program Service revenue for several years, we are now bouncing back. Donations and program fees are re-adjusting to their pre-pandemic levels and Government Pandemic Support was a one-year resource.

- In 2021, all in-person retreats had to be canceled, with the exception of our summer Northeast retreat and fall Michigan retreat, which were both held at reduced capacity. These cancellations cut Program Service revenue (in orange in the figure above) by more than half. In 2022, Program Service revenue exceeded that of 2020 thanks in large part to the resurgence of in-person programming, which will continue along with a new 2023–2024 cohort for our Teacher Training Program.
- Donations (in blue in the figure above) dropped in 2022 to approximately half of what was raised in 2020. However, the pandemic's impact on donations in 2020 was an anomaly.
- Donation income in 2022 was consistent with pre-pandemic years, and the capacity building campaign will result in increased donations in future years.
- Governmental Pandemic Support (in gray in the figure above) has not been renewed, and it is unlikely it will be renewed in the future.
- Overall, the revenue results for 2022 are consistent with the pre-pandemic revenues of 2018 and 2019.
- After three years of the pandemic, we achieved an overall net profit while also contributing to our emergency reserve.

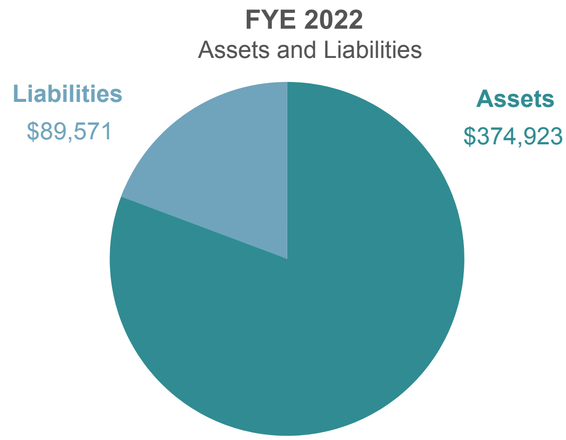






Assets and Liabilities

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



- Assets are primarily comprised of cash year over year. This benefits iBme due to the liquid nature of cash.
- Our Liabilities are the smallest they have been in the past five years and less than half that of FYE 2021.
- iBme has averaged approximately 89 days of Cash on Hand, or approximately 3 months, over the past five years. In 2022, iBme had approximately 57 days of Cash on Hand.
  - Our Board established an operating reserve fund in 2021 and transferred $100,000 in early 2022 to the reserve fund to weather potential negative financial results in the future. At today's cost of operations, the fund provides slightly less than one month of relief from expenditures.
- The capacity building campaign that started in 2023 will provide, among other things, additional reserve fund resources to better ensure the stability of the mission, programs, employment, and ongoing operations of the organization.

With the return to our in-person programming, iBme is back to supporting and serving our community and the young people who are the core of our mission and programs the best way we know how. Consequently, resources that were previously unavailable to us are now accessible. iBme's restricted funds once again can be spent on in-person (e.g., regional) retreats, and our partnerships with other organizations to provide programs are once again a possibility. Our capacity building campaign is well on its way to meeting its $1 million goal. These additional resources will support and strengthen our new and on-going mission-driven programming, ensuring iBme's increasing community impact continues well into the future.

Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of Inward Bound Mindfulness Education, Inc. (the Organization), which comprise the statements of financial position as of October 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 the Organization as of October 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 auditor's 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 the Organization's 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 the Organization's 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.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
April 17, 2023

October 31	**2022**	2021
Assets		
Current Assets:		
Cash	**$ 219,571**	$ 472,982
Current Portion of Contributions Receivable	**119,000**	230,000
Other Receivable	**30,000**	78,616
Prepaid Expenses and Other Current Assets	**6,352**	21,444
Total Current Assets	**374,923**	803,042
Contributions Receivable, Net of Current Portion	**-**	42,000
Total Assets	**$ 374,923**	$ 845,042
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	**$ 7,325**	$ 19,072
Accrued Expenses	**47,008**	47,441
Deferred Revenue	**23,678**	102,169
Total Current Liabilities	**78,011**	168,682
Net Assets:		
Net Assets without Donor Restrictions	**276,912**	590,631
Net Assets with Donor Restrictions	**20,000**	85,729
Total Net Assets	**296,912**	676,360
Total Liabilities and Net Assets	**$ 374,923**	$ 845,042

For the Years Ended October 31	2022			2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Contributions	**$ 540,500**	**$ 92,034**	**$ 632,534**	$ 712,849	$ 127,676	$ 840,525
Program Services Revenue	**390,037**	**-**	**390,037**	224,926	-	224,926
Other Revenue	**9,967**	**-**	**9,967**	6,384	-	6,384
Special Events, Net of Direct Expenses of $0 and $909, Respectively	**-**	**-**	**-**	82,702	-	82,702
Net Assets Released from Restriction	**157,763**	**(157,763)**	**-**	333,117	(333,117)	-
Total Revenue and Other Support	**1,098,267**	**(65,729)**	**1,032,538**	1,359,978	(205,441)	1,154,537
Operating Expenses:						
Program Services	**1,177,227**	**-**	**1,177,227**	878,720	-	878,720
General and Administrative	**140,626**	**-**	**140,626**	149,026	-	149,026
Fundraising	**94,133**	**-**	**94,133**	98,392	-	98,392
Total Operating Expenses	**1,411,986**	**-**	**1,411,986**	1,126,138	-	1,126,138
(Decrease) Increase in Net Assets from Operations	**(313,719)**	**(65,729)**	**(379,448)**	233,840	(205,441)	28,399
Nonoperating Activities:						
Gain On Extinguishment of Long-Term Debt - Paycheck Protection Program	**-**	**-**	**-**	172,026	-	172,026
Total Nonoperating Activities	**-**	**-**	**-**	172,026	-	172,026
(Decrease) Increase in Net Assets	**(313,719)**	**(65,729)**	**(379,448)**	405,866	(205,441)	200,425
Net Assets, Beginning of Year	**590,631**	**85,729**	**676,360**	184,765	291,170	475,935
Net Assets, End of Year	**$ 276,912**	**$ 20,000**	**$ 296,912**	$ 590,631	$ 85,729	$ 676,360

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

For the Years Ended October 31	2022				2021			
	Program Services	**General and Administrative**	**Fundraising**	**Total**	Program Services	General and Administrative	Fundraising	Total
Retreat Expense	**$ 576,814**	**$ 1,431**	**$ -**	**$ 578,245**	$ 312,336	$ 2,654	$ 648	$ 315,638
Payroll	**372,681**	**59,629**	**64,598**	**496,908**	327,048	53,183	58,625	438,856
Contracted Services	**38,814**	**59,411**	**2,103**	**100,328**	38,154	54,143	4,324	96,621
Marketing and Advertising	**76,870**	**1,280**	**1,824**	**79,974**	116,299	8,431	14,560	139,290
Employee Benefits	**44,915**	**7,186**	**7,785**	**59,886**	26,869	12,332	4,657	43,858
Payroll Taxes	**29,620**	**4,739**	**5,134**	**39,493**	26,551	4,248	4,601	35,400
Office Expense	**12,039**	**1,961**	**5,354**	**19,354**	10,616	1,931	6,904	19,451
Other Expense	**9,280**	**2,415**	**4,547**	**16,242**	3,909	8,323	2,046	14,278
Insurance	**9,704**	**1,553**	**1,682**	**12,939**	8,360	2,409	1,449	12,218
Credit Card and Bank Fees	**5,280**	**845**	**915**	**7,040**	6,138	982	1,064	8,184
Telecommunications	**1,210**	**176**	**191**	**1,577**	2,440	390	423	3,253
Total Expenses	**1,177,227**	**140,626**	**94,133**	**1,411,986**	878,720	149,026	99,301	1,127,047
Less: Expenses Included with Revenue on the Statements of Activities	**-**	**-**	**-**	**-**	-	-	909	909
	$ 1,177,227	**$ 140,626**	**$ 94,133**	**$ 1,411,986**	$ 878,720	$ 149,026	$ 98,392	$ 1,126,138

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

For the Years Ended October 31	**2022**	2021
Cash Flows from Operating Activities:		
(Decrease) Increase in Net Assets	**$ (379,448)**	$ 200,425
Adjustments to Reconcile (Decrease) Increase in Net Assets to Net Cash (Used in) Provided by Operating Activities:		
Gain on Extinguishment of Long-Term Debt - Paycheck Protection Program	**-**	(172,026)
Decrease (Increase) in Contributions Receivable	**123,000**	(45,415)
Decrease (Increase) in Other Receivable	**78,616**	(78,616)
Decrease (Increase) in Prepaid Expenses and Other Current Assets	**15,092**	(11,467)
Decrease in Security Deposits	**-**	1,650
(Decrease) Increase in Accounts Payable	**(11,747)**	16,068
Decrease in Accrued Expenses	**(433)**	(121)
(Decrease) Increase in Deferred Revenue	**(78,491)**	102,169
Net Cash (Used in) Provided by Operating Activities	**(253,411)**	12,667
Net Cash Provided by Financing Activities:		
Borrowings from Long-Term Debt - Paycheck Protection Program	**-**	84,986
Net (Decrease) Increase in Cash	**(253,411)**	97,653
Cash, Beginning of Year	**472,982**	375,329
Cash, End of Year	**$ 219,571**	$ 472,982

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 Updates (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 without donor restrictions include net assets designated by the board for specific purposes.

> *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.

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.

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

The Organization invoices its customers as services are provided except for program services for in-depth mindfulness programming retreats which are invoiced in advance of the services. 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 represents payments received for which the aforementioned revenue recognition criteria have not been met.

Opening and closing balances for contract balances from contracts with customers consist of the following:

	October 31, 2022	October 31, 2021	November 1, 2020
Deferred Revenue	$ 23,678	$ 102,169	$ -

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, 2022 and 2021, management has determined all receivables are collectible.

Advertising Costs: The Organization expenses advertising costs as incurred. During the years ended October 31, 2022 and 2021, the Organization incurred advertising expense in the amounts of $79,974 and $139,290, 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, 2022 and 2021, 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, 2022 and 2021. 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.

Subsequent Events: Management has evaluated subsequent events spanning the period from October 31, 2022 through April 17, 2023, 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, 2022 and 2021, reduced by amounts not available for general use within one year of October 31, 2022 and 2021 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2022	2021
Cash	$ 219,571	$ 472,982
Current Portion of Contributions Receivable	119,000	230,000
Contributions Receivable, Net of Current Portion	-	42,000
Other Receivable	30,000	78,616
Total Financial Assets at End of Year	368,571	823,598
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Purpose Restrictions	20,000	85,729
Contributions Receivable, Net of Current Portion	-	42,000
	20,000	127,729
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	$ 348,571	$ 695,869

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, 2022 and 2021, two and three members of the Organization's Board of Directors received stipends in the aggregate amounts of $28,001 and $49,548, respectively, for teaching and program support, which was recorded as retreat expense in the accompanying statements of functional expenses.

4. Contributions Receivable:

Contributions receivable as of October 31, 2022 and 2021 consists of the following:

	2022	2021
Receivable in Less than One Year	$ 119,000	$ 230,000
Receivable in One to Five Years	-	42,000
	$ 119,000	$ 272,000

5. 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 to nonoperating activities as a gain on extinguishment of long-term debt - paycheck protection program in the accompanying statements of activities for the year ended October 31, 2021. Accrued interest on the PPP Loan 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 $86,012, which was recorded to nonoperating activities as a gain on extinguishment of long-term debt - paycheck protection program in the accompanying statements of activities for the year ended October 31, 2021. Accrued interest on the Second PPP Loan was determined to be immaterial to the financial statements.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

6. Employee Retention Credit:

The Coronavirus Aid, Relief and Economic Security (CARES Act), as amended by the Consolidated Appropriations Act, the American Rescue Plan Act and the Infrastructure and Jobs Act, includes certain provisions for an employee retention credit (ERC). The ERC incentivizes employers severely impacted by the COVID-19 pandemic to retain their employees through a fully refundable tax credit, which is allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021.

6. Employee Retention Credit (Continued):

Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer. The ERC is equal to (i) 50% of the first $10,000, per calendar quarter, in qualified wages paid to each employee after March 12, 2020 and before January 1, 2021, with a maximum annual credit of $5,000 for each employee; and (ii) 70% of the first $10,000, per calendar quarter, in qualified wages paid to each employee between January 1, 2021 and September 30, 2021, with a maximum annual credit of $21,000 for each employee.

The Organization averaged fewer than 100 full-time employees (FTEs) during 2019; therefore, it was considered a small employer during 2020 and 2021. As a small employer in 2020 and 2021, all of the Organization's otherwise qualified wages were eligible for the ERC.

The Organization has elected to account for the ERC as a government grant under the FASB's ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. Accordingly, the Organization has recorded $30,000 and $78,616 as an other receivable on the accompanying statements of financial position as of October 31, 2021 and $78,616 included within contributions without donor restrictions on the revenue and other support section of the accompanying statements of activities for the year ended October 31, 2021.

7. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of October 31, 2022 and 2021 consist of the following:

	2022	2021
Subject to Expenditure for Specified Purpose:		
Program Support	$ 20,000	$ 18,401
Scholarships	-	67,328
Total Purpose Restrictions	20,000	85,729
Total Net Assets with Donor Restrictions	$ 20,000	$ 85,729

8. 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, 2022 and 2021 consist of the following:

	2022	2021
Program Support	$ 80,435	$ 158,815
Scholarships	77,328	174,302
	$ 157,763	$ 333,117

9. 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, 2022 and 2021, the Organization made matching contributions to the plan in the amounts of $11,463 and $11,678, respectively.

10. Economic Dependency:

During the years ended October 31, 2022 and 2021, the Organization generated a substantial portion of its contributions from two donors and one donor, respectively. Contributions from these donors approximated 26% and 37% of the Organization's total contributions during the years ended October 31, 2022 and 2021, respectively.

As of October 31, 2022 and 2021, contributions receivable from four donors represented approximately 91% and 92%, each respectively, of the Organization's total contributions receivable.

11. 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, 2022 and 2021, no amounts have been accrued related to such indemnification provisions.