THE VICTORY CENTER, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

SWKJD

CERTIFIED PUBLIC ACCOUNTANTS

THE VICTORY CENTER, INC.
YEARS ENDED JUNE 30, 2021 AND 2020

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SWKJD
CERTIFIED PUBLIC ACCOUNTANTS

SHARFF, WITTMER, KURTZ,
JACKSON & DIAZ
P.A.
CERTIFIED PUBLIC ACCOUNTANTS

DAVID D. SHARFF, C.P.A. - DECEASED
STEVEN C. WITTMER, C.P.A. - DECEASED
JOSEPH M. KURTZ, C.P.A. - RETIRED
MICHAEL L. JACKSON, C.P.A. - RETIRED
MARTIN ROSEN, C.P.A. - RETIRED

LUIS E. DIAZ, C.P.A.
JOSEPH M. JACKSON, C.P.A.
AMY K. BEENKEN, C.P.A.
LAURA S. FEINBERG, C.P.A.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Victory Center, Inc
North Miami Beach, FL 33180

We have audited the accompanying financial statements of The Victory Center, Inc. ("the Center") which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, 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 from 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Victory Center, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Prior Period Financial Statements

The financial statements of the Center as of June 30, 2020, were audited by other auditors whose report dated November 17, 2020, expressed an unmodified opinion on those statements.

Sharff, Wittmer, Kurtz, Jackson & Diaz, P.A.

SHARFF, WITTMER, KURTZ, JACKSON & DIAZ, P.A.
Certified Public Accountants

Coral Gables, Florida
October 10, 2021

THE VICTORY CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 734,245	$ 388,368
Restricted cash	92,238	64,158
Accounts receivable	5,756	13,923
Current portion of pledged contributions receivable-net	-	5,000
Prepaid expenses and other assets	25,984	27,458
TOTAL CURRENT ASSETS	858,223	498,907
Fixed assets, net	3,080,243	3,172,043
TOTAL ASSETS	$ 3,938,466	$ 3,670,950
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 21,283	$ 27,439
Prepaid tuition	139,117	133,318
Current portion of note payable	23,637	79,169
TOTAL CURRENT LIABILITIES	184,037	239,926
LONG-TERM LIABILITIES		
Note payable	218,138	159,931
TOTAL LIABILITIES	402,175	399,857
NET ASSETS		
Without donor restrictions	3,346,082	3,102,225
With donor restrictions	190,209	168,868
TOTAL NET ASSETS	3,536,291	3,271,093
TOTAL LIABILITIES AND NET ASSETS	$ 3,938,466	$ 3,670,950

THE VICTORY CENTER, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Program services and fees	$ 743,052	$ -	$ 743,052	$ 1,001,642	$ -	$ 1,001,642
Fundraising and donations	425,551	80,000	505,551	409,402	177,320	586,722
Investment income	232	-	232	1,223	-	1,223
Net assets released from restrictions	58,659	(58,659)	-	135,657	(135,657)	-
Total revenues	1,227,494	21,341	1,248,835	1,547,924	41,663	1,589,587
EXPENSES						
Program services	1,107,082	-	1,107,082	1,545,356	-	1,545,356
Management and general	94,032	-	94,032	132,081	-	132,081
Fundraising activities	21,623	-	21,623	56,623	-	56,623
Total expenses	1,222,737	-	1,222,737	1,734,060	-	1,734,060
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	4,757	21,341	26,098	(186,136)	41,663	(144,473)
OTHER CHANGES IN NET ASSETS						
PPP loan forgiveness	239,100	-	239,100	-	-	-
Total other changes in net assets	239,100	-	239,100	-	-	-
CHANGE IN NET ASSETS	243,857	21,341	265,198	(186,136)	41,663	(144,473)
NET ASSETS, BEGINNING OF YEAR	3,102,225	168,868	3,271,093	3,288,361	127,205	3,415,566
NET ASSETS, END OF YEAR	$ 3,346,082	$ 190,209	$ 3,536,291	$ 3,102,225	$ 168,868	$ 3,271,093

THE VICTORY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services			Supporting Activities		
Description	Primary Academy Vocational School	Adult Program	Total Program Services	Management and General	Fundraising	2021 Total Expenses
Salaries	$ 606,438	$ 40,807	$ 647,245	$ 51,045	$ -	$ 698,290
Employee benefits	38,807	1,241	40,048	3,724		43,772
Payroll taxes	52,782	3,985	56,767	4,274		61,041
Total Salaries and related expenses	698,027	46,033	744,060	59,043	-	803,103
						-
Auto and travel	37	-	37	20	-	57
Conferences, meetings and training	3,780	-	3,780	75	-	3,855
Credit card processing & related fees	-	-	-	-	7,727	7,727
Depreciation and amortization expense	87,697	-	87,697	7,005	-	94,702
Employment advertisement	1,373	-	1,373	242	-	1,615
Fingerprinting and drug testing	1,885	-	1,885	-	-	1,885
Insurance	23,677	808	24,485	3,465	-	27,950
Information technology	10,792	-	10,792	833	4,436	16,061
Office expenses	4,232	-	4,232	747	1	4,980
Marketing expenses	-	-	-	-	459	459
Professional fees and contract services	24,070	-	24,070	4,248	9,000	37,318
Program consultants	52,500	18,000	70,500	-	-	70,500
Rent and other occupancy expenses	93,871	-	93,871	16,565	-	110,436
Repairs	654	-	654	116	-	770
School supplies	29,682	-	29,682	-	-	29,682
Telephone	9,481	-	9,481	1,673	-	11,154
Uniforms	483	-	483	-	-	483
Total Expenses	$ 1,042,241	$ 64,841	$ 1,107,082	$ 94,032	$ 21,623	$ 1,222,737

THE VICTORY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services				Supporting Activities		
Description	Primary Academy Vocational School	After School Care	Adult Program	Total Program Services	Management and General	Fundraising	2020 Total Expenses
Salaries	$ 1,036,931	$ 13,647	$ -	$ 1,050,578	$ 82,036	$ 10,625	$ 1,143,239
Employee benefits	89,340	-	-	89,340	4,679	751	94,770
Payroll taxes	84,308	1,107	-	85,415	6,498	813	92,726
Total Salaries and related expenses	1,210,579	14,754	-	1,225,333	93,213	12,189	1,330,735
Auto and travel	112	-	-	112	60	-	172
Conferences, meetings and training	3,436	-	-	3,436	34	-	3,470
Credit card processing and related fees	-	-	2,990	2,990	-	3,828	6,818
Depreciation and amortization expense	89,400	-	-	89,400	9,679	-	99,079
Employment advertisement	543	-	-	543	96	-	639
Fingerprinting and drug testing	2,482	-	-	2,482	-	-	2,482
Insurance	29,803	850	-	30,653	4,110	-	34,763
Information technology	9,984	-	-	9,984	1,762	4,462	16,208
Lunches	4,972	-	-	4,972	-	-	4,972
Office expenses	6,630	-	-	6,630	1,170	19	7,819
Marketing expenses	-	-	-	-	-	375	375
Professional fees and contract services	46,085	-	-	46,085	5,768	35,750	87,603
Rent and other occupancy expenses	81,286	-	-	81,286	14,345	-	95,631
Repairs	1,351	-	-	1,351	238	-	1,589
School supplies	17,655	-	-	17,655	-	-	17,655
Telephone	9,103	-	-	9,103	1,606	-	10,709
Trips and events	10,570	-	-	10,570	-	-	10,570
Uniforms	2,771	-	-	2,771	-	-	2,771
Total Expenses	$ 1,526,762	$ 15,604	$ 2,990	$ 1,545,356	$ 132,081	$ 56,623	$ 1,734,060

THE VICTORY CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 265,198	$ (144,473)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gain on loan forgiveness	(239,100)	-
Depreciation and amortization	94,702	99,079
Decrease in accounts receivable	8,167	4,620
Decrease in pledged contributions receivable	5,000	5,800
Decrease in prepaid expenses	1,474	100,772
Decrease in accounts payable and accrued expenses	(6,156)	(20,119)
Increase (decrease) in prepaid tuition	5,799	(17,013)
Net cash provided by operating activities	135,084	28,666
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(2,902)	(108,144)
Net cash used in investing activities	(2,902)	(108,144)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	241,775	239,100
Net cash provided by financing activities	241,775	239,100
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	373,957	159,622
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	452,526	292,904
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	$ 826,483	$ 452,526

NOTE 1 – ORGANIZATION AND OPERATIONS

Description of organization

The Victory Center, Inc (the “Center”) is a not-for-profit corporation organized under the state of Florida. The Center operates a private school in North Miami Beach, Florida to provide children with autism and related disabilities with comprehensive individualized education and science-based therapies. The school commenced operations on June 1, 2000 and in 2011, the Center became accredited by the Advance Southern Association of Colleges and School Council.

On May 5, 2011, TVC Academy, LLC was formed as a wholly owned LLC to handle the McKay Scholarships from the state of Florida.

The Center provides education and service to individuals and families with autism and similar disorders in a secure and stimulating learning environment. The Center operates five full-days, year-round programs in classroom and virtual settings. The programs offered include: Early Intensive Behavioral Intervention (EIBI), Primary K-8, Vocational, Academy and Adult. Additionally, the Center offers respite and community outreach programs including aftercare, summer programs and other activities.

Early Intensive Behavioral Intervention (EIBI)

The program offers individualized Applied Behavioral Analysis (ABA) based instruction to children ages 2 to 5 in an intensive 1:1 and 2:1 student-to-teacher ratio setting by professionals qualified in areas of behavior analysis, education, and other related services. Teaching sessions are designed to teach communication skills, classroom routine skills, independent living skills such as potty training, and compliance. Further, the program focuses on reducing maladaptive behavior by creating behavior intervention plans individualized for each student. Teaching sessions alternate with small group activities which expose students to diverse social situations to help develop social and motor skills. Each student’s schedule of learning activities is designed to meet his or her needs.

Primary K-8

The program focuses on implementing individualized grade level instructions that adheres to academic state standards such as Common Core for students ages 6 to 12. Students received individualized teaching through Discrete Trial Training (DTT) and small group instruction on various subjects such as math, science, language arts, and reading. The primary program also focuses on social skills, communication skills, independent living skills, and reduction of maladaptive behavior. Additionally, the program includes individualized fitness components including swimming, yoga, cardio, and strength training.

The program offers 1:1, 2:1, and 3:1 student-to-teacher ratio and is instructed by professionals qualified in areas of behavior analysis, education, and other related services. Cutting-edge technology and targeted software applications such as IXL, a comprehensive K-8 learning experience, Edmark functional reading program, and Maxscholar, a multi-sensory reading and language-based program have been implemented to enhance program efficacy.

Vocational

The Vocational Program, unique in the South Florida area, focuses on teaching functional skills that allow an individual to be more independent when he or she transitions to adulthood. This is a center-based program for students ages 13 to 22, which is geared toward students who are unable to obtain a high school diploma and focuses on vocational training and daily living skills. The work is underscored by four primary principles: functional academics, domestic living, vocational training, and community skills. The program offers students a variety of experiences including community-based instruction (CBI), job-training, and job placement. Additionally, the program includes individualized fitness components including swimming, yoga, cardio, and strength training.

NOTE 1 – ORGANIZATION AND OPERATIONS (CONTINUED)

Vocational (continued)

The program offers 1:1, 2:1, and 3:1 student-to-teacher ratio and is staffed by professionals qualified in the areas of behavior analysis, education, and other related services. Each vocational student is assessed using the Community Based Functional Assessment and has and individualized education program that meets his or her needs and interests. These skills are taught using the ABA principles, and include instruction in the classroom, in a home environment, and in the community setting to promote generalization.

Academy

The program focuses on implementing individualized grade level instructions that adheres to academic state standards such as Common Core for students ages 13-22. Students received individualized teaching through small group instruction on various subjects such as math, science, language arts, and reading. Additionally, the program includes individualized fitness components including swimming, yoga, cardio, and strength training.

The program offers 3:1 and 5:1 student-to-teacher ratio and is instructed by professionals qualified in areas of behavior analysis, education, and other related services. Cutting-edge technology and targeted software applications such as IXL, a comprehensive K-12 learning experience, Edmark functional reading program, and Maxscholar, a multi-sensory reading and language-based program have been implemented to enhance program efficacy. The program offers students a variety of experiences including community-based instruction (CBI), job-training, and job placement.

Adult Program

This program is offered to serve the needs of individuals with disabilities beyond age 22. The program's objective is to create a level of independency by setting goals, teaching independent living skills, communication skills, and reducing maladaptive behavior. Goals for each student are established and designed during meeting between staff and parents and are monitored throughout the year. The program offers students a variety of experiences including community-based instruction (CBI), job-training, and job placement. Additionally, the program includes individualized fitness components including swimming, yoga, cardio, and strength training.
The program offers 2:1, and 3:1 student-to-teacher ratio and is staffed by professionals qualified in the areas of behavior analysis, education, and other related services.

Respite and Community Programs

Research shows that parents and caregivers who have a child with autism experience increased stress. The Center's respite and community programming recognizes these risk factors and the importance of reducing parental stress. As such, the Center offers activities and programs such as Saturday Laugh n' Learn and Saturday Teens Activities and Recreation (STAR) program among others, which provide families with an option for weekend respite while enabling students to form social networks and strengthen their social and communication skills.

- Aftercare program: Provides students ages 5-22 years old after school care in a nurturing and stimulating environment with intensive 2:1 student-to-teacher ratio setting. Instructors are trained to continue working on the student's individualized communication and leisure goals.

- Summer Camp Program: Provides a 9-week camp for students with autism and related disabilities to learn and participate in recreational activities with trained staff using ABA approach. In this program, students are given the opportunity to continue making gains toward their individualized goals. Also, students can participate in weekly field trips and swimming lessons, which present valuable opportunities to ensure that skills taught in the classroom are generalized to the community.

NOTE 1 – ORGANIZATION AND OPERATIONS (CONTINUED)

Management and general activities include the functions necessary to provide support for the Center's program activities including governance, oversight, business management, financial recordkeeping, budgeting, human resource management, and similar activities that ensure adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting fundraising campaigns, maintaining donor lists, conducting galas, and other activities involved with soliciting contributions from corporations, foundations, individuals, others.

As of June 30, 2021, some of the respite and community programs as well as fundraising activities were postponed due to global pandemic COVID-19. See NOTE 10.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Classification of the Center's net assets and its revenues and expenses are based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as:

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 objective of the Organization. The Center's board of directors (the "Board") may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions- Net assets subject to stipulations imposed by donors. Donor restrictions are met by actions of the Center or by the passage of time.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Cash and Cash Equivalents

Cash and cash equivalents include all moneys in banks and highly liquid investments with an original maturity date of three months or less. The Center maintains its cash and cash equivalents in checking accounts and money market funds similar to demand deposits, which may exceed federally insured limits. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant risks on cash and cash equivalents. Cash subject to restrictions include scholarship account, which is separately presented as restricted cash in the statement of financial position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Pronouncement

In 2014, the FASB issued ASU 2014-09 ("ASU"), *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity should recognize revenue when the entity satisfies a performance obligation. Not-for-profit entities must consider whether certain arrangements are fully or partially subject to Topic 606. Examples include, but are not limited to tuition, memberships, sponsorships, grants and contracts. Additionally, judgment is required to differentiate transactions between contribution and exchange components. The Center has adopted this ASU as of and for the year ended June 30, 2021. Adoption of the new standard does not materially change the timing or amount of revenue recognized in the Center's financial statements. Refer to NOTE 7 for details.

Accounts Receivable

Accounts receivable are primarily the balance of tuition due. Management believes that all outstanding accounts receivables are collectible in full and therefore no allowance for uncollectible receivables was considered necessary as of June 30, 2021.

Pledged Contributions receivables

All unconditional pledges that are verifiable, probable, and measurable are recorded at their estimated realizable value on a discounted basis, using rates ranging from 0.641% to 2.960%. The Center determines an allowance based on specific identification, historical write-offs, and current economic conditions.

Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. As of June 30, 2021 there were no pledged contributions receivables nor allowance for uncollectible pledges. As of June 30, 2020 pledged contributions receivable was $5,000 and there was no allowance for uncollectible pledges.

Fixed Assets

Leasehold improvements, equipment and furniture and fixtures are reported in the statement of financial position at cost or, if donated, at the approximate fair value at the date of donation. Acquisitions of property and equipment in excess of $500 and useful life of more than one (1) year are capitalized. Repairs and maintenance that do not significantly increase useful life of the asset are expensed as incurred. Depreciation is computed using the double declining balance or straight-line depreciation method over the estimated useful lives of the assets, as follows:

Capitalized lease	99 years
Equipment	5-10 years
Furniture and fixtures	7 years

Fixed assets are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. As of June 30, 2021 and 2020, no impairment losses were recognized in the financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenues for operations are received primarily from monthly program tuition, and a one-time annual enrollment fee for first year students. The Center also benefits from monetary contributions and donated services as described below.

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional pledges, if any, are recognized when the conditions on which they depend are substantially met. Unconditional pledges due in the next year are recorded at their net realizable value.

Donated services are provided by the board members and summer program volunteers. Summer program volunteers donate time and teaching-assistance services in the Center's program operations and its fundraising campaigns. The contributed services do not meet the criteria for ASC 958, Not-for-Profit Entities, which allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. The Center's donated services did not meet the above criteria. The donated services primarily consist of the board members' time, summer program volunteers' teaching assistance and fundraising activities.

As of June 30, 2021 and 2020, donated services consisted of board members' time. There were no summer program volunteers nor fundraising campaign volunteers due to such events being postponed as a result of global pandemic COVID-19.

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Center are reported as expenses of those functional areas.

Income Taxes

The Center is a nonprofit organization, exempt from federal taxes on income other than unrelated business income, under section 501(c)(3) of the Internal Revenue Code. The Center experienced no taxes as a result of unrelated business income for the year ended June 30, 2021. The Center is not classified as a private foundation by the Internal Revenue Service. Accounting principles generally accepted in the United States of America prescribe requirements for the recognition of income taxes in financial statements, and the amounts recognized are affected by income tax positions taken by the Center in its tax returns. The Center's status as an exempt organization is defined as an income tax position under these requirements. While management believes, it has complied with the Internal Revenue Code, the sustainability of some income tax positions taken by the Center in its tax returns may be uncertain. There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the financial statements. Management does not believe that the Center has any material uncertain tax positions at June 30, 2021.

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. The overall reclassification had no impact on previously reported change in net assets or cash flows.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management's Review

FASB ASC 855-10, "Subsequent Events", establishes general standards of accounting for the disclosure of events that occur after the balance sheet date but before the financial statements are issued or ready to be issued. The Center has evaluated subsequent events through October 10, 2021, which is the date the financial statements were available to be issued.

NOTE 3 – FIXED ASSETS

Leasehold interest, property and equipment consist of the following at June 30:

	2021	2020
Capitalized leasehold interest	$ 3,000,000	$ 3,000,000
Equipment	288,490	285,588
Furniture and fixtures	51,024	51,024
Total	3,339,514	3,336,612
Less accumulated depreciation and amortization	(259,271)	(164,569)
Total property and equipment, net	$ 3,080,243	$ 3,172,043

For the years ended June 30, 2021 and 2020, depreciation and amortization expense was $94,702 and $99,079, respectively.

NOTE 4 – AVAILABILITY AND LIQUIDITY

Quantitative:

As of June 30, 2021 and 2020, there are no board designated net assets. The Center's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2021	2020
Cash and cash equivalents	$ 734,245	$ 388,368
Accounts receivable	5,756	13,923
Current portion of pledged contributions receivable, net	-	5,000
Total financial assets available within one year	740,001	407,291
Less: amounts unavailable for general expenditures within one year due to donor restrictions	(190,209)	(168,868)
Total financial assets available within one year	$ 549,792	$ 238,423

NOTE 4 – AVAILABILITY AND LIQUIDITY (CONTINUED)

Qualitative:

As of June 30, 2021 and 2020, the Center had $549,792 and $238,423, respectively, of financial assets available within one (1) year of the statement of financial position date to meet cash need for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. Accounts receivable consist of tuition receivable, which are collected on a monthly basis.

Although the Center's Board has not established a finite amount of liquidity required, management and the Board evaluates the Center's liquidity needs on a monthly basis and makes decisions as to fundraising, tuition rates and expenditures according to available liquidity resources.

NOTE 5 – NET ASSETS

As of June 30, 2021 and 2020, net assets with donor restrictions consist of the following:

Restriction:	**Purpose:**	2021	2020
Scholarship Fund	Funding for families in need	$ 83,699	$ 55,678
PPE	Personal protective equipment	15,000	-
Sports Therapy	New physical education program	10,000	-
Wish List	School supplies and activities	-	5,680
Adult Program	Funding for adult program	81,510	99,510
Technology	Software maintenance, IT and repairs	-	8,000
	Total	$ 190,209	$ 168,868

For the years ended June 30, 2021 and 2020 net assets were released from donor restrictions by either incurring expenses satisfying the purpose of the restriction or meeting time restrictions specified by the donor for the year as follows:

	2021	**2020**
Scholarship Fund	$ 26,979	$ 47,125
Wish List	5,680	2,268
Health Foundation	-	1,552
Adult Program	18,000	2,990
Technology	8,000	-
Playground	-	50,002
Fundraising	-	31,720
Total	$ 58,659	$ 135,657

NOTE 6 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

On April 27, 2020, the Center obtained a loan in the amount of $239,100, implemented by the U.S Small Business Administration (the "SBA"), as part of the Paycheck Protection Program ("PPP") established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The loan bears interest at an annual rate of 1% with a maturity date of two (2) years after the effective date. On May 7, 2021, the PPP loan, plus accrued interest of approximately $2,510 was fully forgiven.

NOTE 6 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE (CONTINUED)

On February 23, 2021, the Center obtained another PPP loan in the amount of $241,775. The loan bears interest at an annual rate of 1% and has a maturity date of five (5) years from the effective date. As of June 30, 2021, total interest expense on this PPP loan payable was $806. As of the date of this report, management is applying for loan forgiveness and believes that the loan will be fully forgiven as per the agreement guidelines.

Loan payable as of June 30, 2021 and 2020 consists of the following:

	2021	2020
Note Payable	$ 241,775	$ 239,100
Less: Current portion	23,637	79,169
Long- term note payable	$ 218,138	$ 159,931

As of June 30, 2021, the future maturities under the loan are as follows:

2022	$ 23,637
2023	47,631
2024	48,109
2025	48,592
2026	49,081
Thereafter	24,725
	$ 241,775

NOTE 7 – REVENUE RECOGNITION

On July 1, 2020, the Center adopted ASU 2014-09, *"Revenue from contracts with customers" (Topic 606)* using modified retrospective method. There was no material impact to revenues as a result of applying Topic 606 for the year ended June 30, 2021.

The Center's primary revenue stream is program tuition revenue, which falls under Topic 606. The Center earns tuition fees from educational and therapy services provided to students with autism and related disabilities as described in NOTE 1. The Center receives monthly tuition payments at the beginning of each month during the school year. Tuition payments vary depending on the program, and some of the payments include scholarship funds received by eligible students. The tuition fees are recognized when earned by the end of the month and any tuition prepayments and scholarship funds received in advanced are deferred until services are provided. The following table summarizes the Center's disaggregated revenue by source for the year ended June 30, 2021:

Tuition fees and scholarships	$ 726,259
Enrollment fees	6,000
Program evaluation fees	3,870
Late fees and other fees	6,863
After school	60
	$ 743,052

NOTE 7 – REVENUE RECOGNITION (CONTINUED)

Contributions received are measured at their fair values and are reported as an increase in net assets. All contributions are available for unrestricted use unless specifically restricted by the donor. Gifts of cash and other assets are reported as restricted support if they have donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a donor-imposed 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. Conditional pledges are recognized when their conditions are substantially met. Unconditional pledges due the following year are recorded at their net realizable value. As of June 30, 2021, there were no outstanding pledged contributions.

NOTE 8 – LEASE COMMITMENTS

Effective October 20, 2016, the Center entered into a sublease contract with Michael-Ann Russell Jewish Community Center, Inc. ("JCC") for a 99-year term. The Center contributed $3,000,000 for the construction of the subleased building. This tenant contribution is being amortized over the life of the lease. See NOTE 3. The Center moved into the new building and started operations during the 2018-2019 school year. The base rent is $1 per year. Additionally, the Center pays a campus use fee of $3,500 per month and approximately $3,500 per month of pro rata share of direct expense, treated as additional rent.

In March 2020, the Center entered into a capital lease agreement for the rental of a copy machine. The lease requires 60 equal monthly payments of $ 232.79 with maturity date in March 2025.

The following is a schedule by year of future minimum rental payments with a 3% present value and related fees required under the lease agreements at June 30, 2021:

2022	$ 82,019
2023	81,874
2024	81,724
2025	79,708
2026	78,618
Thereafter	2,248,410
	$ 2,652,353

Rent expense for the administrative offices and classrooms, which is included in rent and other occupancy expenses in the statement of functional expenses, was $99,492 and $93,248 for the years ended June 30, 2021 and 2020, respectively.

NOTE 9 – CONCENTRATION RISK

Amounts held in financial institution occasionally are in excess of Federal Deposit Insurance Corporation limits. The Center deposits its cash with high quality financial institutions, management believes the Center is not exposed to significant credit risk on those amounts. The majority of the Center's contributions and grants are received from corporations, foundations, and individuals located in the greater Miami area. As such, the Center's ability to generate resources via contributions and grants is dependent upon economic health of that area and the state of Florida. Management does not anticipate any significant reductions in donations in the future year.

NOTE 10 – IMPLICATIONS OF COVID-19

On January 30, 2020, The World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO declared the COVID-19 outbreak a global pandemic and recommended containment and mitigation measures worldwide.

The COVID-19 pandemic impacted the Center, its teachers, its students, and their families. The Center was forced to suspend in-person learning in 2020. The Center opened the 2020-2021 school year using a hybrid model where approximately 50% of students returned to in-person learning and the remainder participated via the distance learning program. Management has opened the 2021-2022 school year at full capacity with in-person attendance. Additionally, due to the COVID-19 break, the Center suspended the summer program and aftercare program, as well as one of their major fundraising events, the Annual Gala. Management expects to resume these programs and fundraising activities in fiscal year 2021-2022.

The full impact of the pandemic on the Center's future depends on the ultimate duration and scope of the pandemic, the success of vaccination programs, and its impact on the staff, students and their families. Management is actively monitoring the global situation on its financial conditions, liquidity, operations, suppliers, industry, and workforce. The Center will continue to take actions to mitigate the impact of the pandemic.