MONTESSORI OF MAUI, INC.
(A Hawai'i Nonprofit Corporation)

AUDITED FINANCIAL STATEMENTS
(With Independent Auditor's Report)

FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Montessori of Maui, Inc.
Makawao, Hawaii 96768

We have audited the accompanying financial statements of Montessori of Maui, Inc. (a Hawai'i nonprofit corporation), 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 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 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 Montessori of Maui, Inc. as of June 30, 2021 and the changes in its net assets, functional expense and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Montessori of Maui, Inc.'s 2020 financial statements, and our report dated August 10, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carbonaro CPAs & Mgmt Group

Wailuku, Hawaii
August 9, 2021

MONTESSORI OF MAUI, INC.

Statements of Financial Position
As of June 30, 2021 and 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents (Note 2)	$ 2,758,316	$ 2,232,699
Investments (Note 10)	1,728,061	1,367,624
Accounts Receivable, Net for Allowance of Doubtful Accounts of $1,358 and $-0- as of June 30, 2021 and 2020, respectively (Note 2)	11,268	5,996
Prepaid Expenses and Other Current Assets	5,836	4,669
Total Current Assets	4,503,481	3,610,988
PROPERTY AND EQUIPMENT (Note 2)		
Land	636,867	636,867
Buildings	12,733,650	12,693,228
Furniture and Equipment	276,149	275,005
Construction in Progress	23,705	16,605
Less Accumulated Depreciation	(4,952,683)	(4,577,617)
Net Property and Equipment	8,717,688	9,044,088
TOTAL ASSETS	$ 13,221,169	$ 12,655,076

LIABILITIES AND NET ASSETS

	2021	2020
CURRENT LIABILITIES		
Prepaid Fees and Tuition from Students (Note 5)	$ 690,168	$ 395,614
Accounts Payable	115	43,814
Refundable Advances (Note 2)	2,550	1,938
Accrued Payroll and Payroll Taxes	17,794	111,435
Other Accrueds	7,000	-
Paycheck Protection Program Loan (Note 12)	904,120	431,200
Current Portion of Note Payable (Note 7)	260,652	168,410
Credit Card Payable	3,224	17,206
Total Current Liabilities	1,885,623	1,169,617
LONG TERM LIABILITIES		
Note Payable (Note 7)	3,486,642	3,703,729
TOTAL LIABILITIES	5,372,265	4,873,346
NET ASSETS (Note 3)		
Net Assets Without Donor Restrictions	7,229,551	7,325,201
Net Assets With Donor Restrictions	619,353	456,529
Total Net Assets	7,848,904	7,781,730
TOTAL LIABILITIES AND NET ASSETS	$ 13,221,169	$ 12,655,076

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

MONTESSORI OF MAUI, INC.

Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
OPERATING REVENUE AND SUPPORT				
Tuition and Fees	$ 2,934,326	$ -	$ 2,934,326	$ 3,927,890
Contributions and Fundraising	1,609	-	1,609	165,926
Annual Giving Revenue	70,441	95,009	165,450	76,701
Other Income	21,921	-	21,921	53,490
In-kind Revenue (Note 2)	10,030	-	10,030	102,270
Extended Care	52,623	-	52,623	57,335
Grant and Trust Income	-	44,000	44,000	38,000
Interest and Investment Income	20,875	-	20,875	44,943
Unrealized Gain (Loss) on Investments	30,588	65,415	96,003	(16,900)
Capital Campaign Revenue	-	62,500	62,500	6,250
Net Assets Released from Restrictions	104,100	(104,100)	-	-
Total Operating Revenue and Support	3,246,513	162,824	3,409,337	4,455,905
EXPENSES				
Program Services	2,715,495	-	2,715,495	3,577,830
Management and General	532,668	-	532,668	694,368
Fundraising	94,000	-	94,000	122,536
Total Expenses	3,342,163	-	3,342,163	4,394,734
CHANGE IN NET ASSETS	**$ (95,650)**	**$ 162,824**	**$ 67,174**	**$ 61,171**
NET ASSETS, BEGINNING OF YEAR	7,325,201	456,529	7,781,730	7,720,559
NET ASSETS, END OF YEAR	$ 7,229,551	$ 619,353	$ 7,848,904	$ 7,781,730

MONTESSORI OF MAUI, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	Program Services	Management and General	Fundraising	2021 Totals	2020 Totals
Salaries and Wages	$ 1,376,870	$ 384,778	$ 67,902	$ 1,829,550	$ 2,390,339
Depreciation and Amortization	375,066	-	-	375,066	368,424
Employee Benefits	266,277	73,528	12,975	352,780	492,190
Payroll Taxes	152,927	43,728	7,717	204,372	226,015
Interest and Fees	145,222	-	-	145,222	151,259
Repairs and Maintenance	80,509	-	-	80,509	79,618
Pension Contribution (Note 4)	54,274	-	-	54,274	91,910
Classroom Supplies	42,041	-	-	42,041	57,336
Insurance	38,622	972	172	39,766	43,948
Utilities	38,366	-	-	38,366	39,208
Bad Debt (Recovery)	34,857	-	-	34,857	(3,155)
Telephone and Computer Supplies	23,908	8,562	1,511	33,981	40,352
Accounting and Legal	3,909	13,016	2,297	19,222	14,062
Dues	16,057	-	-	16,057	20,045
Janitorial Expense	12,443	-	-	12,443	17,128
In-kind Expense (Note 2)	10,030	-	-	10,030	102,270
Fundraising and Special Events	7,092	-	-	7,092	80,413
Outside Services	2,233	3,639	642	6,514	23,639
Small Equipment	2,729	3,065	541	6,335	32,992
Marketing (Note 2)	5,308	-	-	5,308	10,571
Bank Fees and Credit Card Fees	5,271	18	3	5,292	4,844
Workshop and Staff Development	4,522	155	27	4,704	22,663
FACTS Account Expense	4,380	-	-	4,380	4,423
Grant Expenses	4,094	-	-	4,094	2,007
Miscellaneous	3,400	-	-	3,400	11,819
Automobile Expense	2,035	-	-	2,035	2,651
Office Supplies	548	1,207	213	1,968	3,680
Employee Recruitment	1,146	-	-	1,146	16,644
Accrediting and Licensing Costs	794	-	-	794	1,077
Postage and Printing	565	-	-	565	1,733
Program Activities	-	-	-	-	44,629
Total Expenses	$ 2,715,495	$ 532,668	$ 94,000	$ 3,342,163	$ 4,394,734

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

MONTESSORI OF MAUI, INC.

Statements of Cash Flows

For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts from Students for Tuition and Fees	$ 3,189,363	$ 3,622,282
Grant and Trust Cash Receipts	44,000	38,000
Cash from Contributions, Capital Campaign and Fundraising	229,559	245,510
Investment Income Received	20,875	44,943
Other Cash Receipts	74,544	114,192
Cash Paid for Interest	(145,222)	(151,259)
Cash Paid to Employees and Vendors	(2,922,477)	(3,757,450)
Net Cash Provided by Operating Activities (Note 6)	490,642	156,218
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Used to Purchase Property and Equipment	(48,666)	(207,173)
Net Purchases of Investments	(264,434)	(54,873)
Net Cash Used by Investing Activities	(313,100)	(262,046)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Payroll Protection Program Loans	472,920	431,200
Principal Payments on Note Payable	(124,845)	(241,709)
Net Cash Provided by Financing Activities	348,075	189,491
Net Increase in Cash for the Year	**525,617**	**83,663**
CASH AND CASH EQUIVALENTS BALANCE, BEGINNING OF YEAR	2,232,699	2,149,036
CASH AND CASH EQUIVALENTS BALANCE, END OF YEAR	$ 2,758,316	$ 2,232,699

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

Note 1. ORGANIZATION

Montessori of Maui, Inc. (the School) was incorporated under the laws of the State of Hawaii as a not-for-profit corporation on August 26, 1982. The purpose of the School is to operate a child development center and school for children on the island of Maui in accordance with the Montessori Method of education. The students, who range from 18 months to 14 years, are encouraged to develop their maximum potential in a facility where cultural, social and ethnic diversities flourish.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting: The School uses the accrual method of accounting for financial statement reporting according to generally accepted accounting principles. Under this method of accounting, revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid.

Accounts Receivable: Accounts receivables represents revenues earned but not yet received. Accounts receivables are written off when deemed uncollectible by management. Management periodically evaluates the adequacy of the allowance for doubtful accounts based on its past experience and knowledge of the receivable.

Revenue Recognition: Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions (Note 3). Unconditional promises to donate due in the next year, are reflected as current promises to give and are recorded at their net realizable value. Grants and other contributions of cash are reported as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. In accordance with FASB's ASC Topic 606, *Revenue from Contracts with Customers,* performance obligation related to tuition and fees are recognized over the school year and are fully earned at year end. Grant revenue is recognized as the expenses occur or the services have been provided throughout the fiscal year. Other revenues and donations do not have a specific performance obligation and are generally earned when received.

Property and Equipment: Land, buildings and equipment are stated at cost or at fair value at date of donation. Major renewals and improvements are capitalized, while maintenance and repairs that do not extend the lives of the assets are charged to operations. Management capitalizes renewals and improvements with a useful life greater than one year and a value greater than $2,000. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents: For the purpose of the statement of cash flows, cash is defined as demand deposits, mutual funds, savings accounts, certificates of deposit with maturities of three months or less, and money market accounts.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Risk: The financial instruments that potentially expose the School to concentrations of credit risk consist of cash and investments. The School's policy is to deposit its cash with major financial institutions and at times, these cash balances exceed the FDIC and SIPC insurance levels. The School's investment policy provides guidance and limitations on investing funds and sets forth risk management guidelines, asset distribution, diversification guidelines and criteria for selection of stocks and bonds. At June 30, 2021, the amount that exceeded the FDIC and SIPC was approximately $2,442,000 and $881,000.

Income Taxes: The School is exempt from Federal income taxes under Section *501(c)(3)* of the Internal Revenue Code and also from State of Hawaii income taxes under Section *237-23(b)* of the Hawaii Revised Statutes.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the School may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2021 or 2020.

The School's Forms 990, *Return of Organization Exempt from Income Tax*¸ are subject to examination by the IRS, generally for three years after they were filed. Returns after 2017 are subject to examination.

Marketing: The School expenses advertising as it incurs the expense. Advertising expense was $5,308 and $10,571 for the year ended June 30, 2021 and 2020, respectively.

Refundable Advances: Refundable advances represents funds received which were not yet earned, as conditions set forth within grant agreements have not yet been met.

In-kind Donations: Under FASB ASC 958-605-25-16 "Not-for-Profit Entities, Contributed Services", contributions of donated services that create or enhance non-financial assets or that require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In-Kind Revenue recorded also represents the fair value of many donated items for fundraising and for the ongoing operations of the School. These tangible items donated are valued at their estimated fair market value at the time of donation. The School received $10,030 and $102,270 of donated goods for their fundraising event during the year ended June 30, 2021 and 2020, respectively.

Note 3. NET ASSETS

In accordance with ASU 2016-14, Not-For-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities,* the School is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Note 3. NET ASSETS (Continued)

Net assets without donor restrictions includes all resources that are not subject to donor-imposed stipulations or contributions with donor-imposed restrictions that are met during the same year as the contribution is made. Net assets without donor restrictions denoted as property and equipment represent equity in such property and equipment. If the School receives a restricted donation and the restriction is met during the year, it is reported as net assets without donor restrictions.

Net assets with donor restrictions represent funds received from donors to be used for specific purposes. Net assets are released from donor restrictions primarily by incurring expenses that satisfy the restricted purposes, except for net assets with restriction through perpetuity. Net assets with donor restrictions consist of the following as of June 30:

	2021	2020
Endowment Interest (Note 9)	$ 159,874	$ 94,458
CWB Scholarship Fund	124,182	119,382
Endowment Restricted through Perpetuity	109,920	103,920
Hawaiian Scholarship Fund	76,935	59,580
Kamani Expansion	51,042	-
Financial Aid	42,855	36,000
Kokua Charitable Trust	25,097	25,097
Others	18,090	18,092
Elementary School Expansion	6,250	-
Facilities and Ground (PPRRSM)	5,108	-
Total	$ 619,353	$ 456,529

Endowments restricted through perpetuity consist of various contributions received for the purpose of the financial aid endowment fund. At June 30, 2021 and 2020, the balance of the net assets with donor restrictions through perpetuity was $109,920 and $103,920, respectively. See Note 9 for disclosure on endowments.

Note 4. EMPLOYEE RETIREMENT PLAN

The School has entered into a tax-deferred defined contribution plan qualified under Section *403(b)* of the Internal Revenue Code. The plan covers qualified employees and establishes individual retirement trust accounts. Eligible employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The School may make contributions to the plan based on a formula included in the plan. The School’s contribution was $54,274 and $91,910 for the years ended June 30, 2021 and 2020, respectively.

Note 5. PREPAID FEES AND TUITION FROM STUDENTS

Prepaid Fees and Tuition from Students represents prepayments received from students enrolled in the following school year which were not yet earned as of June 30, 2021 and 2020, respectively. These funds will be earned and recorded as revenue in the subsequent year. At June 30, 2021 and 2020, there were $690,168 and $395,614 of Prepaid Fees and Tuition from Students, respectively.

Note 6. RECONCILIATION OF CHANGE IN NET ASSETS WITH NET CASH PROVIDED BY OPERATING ACTIVITIES

	2021	2020
Change in Net Assets	$ 67,174	$ 61,171
Depreciation and Amortization	375,066	368,424
Bad Debt Expense (Recovery)	34,857	(3,155)
Unrealized (Gain) Loss on Investments	(96,003)	16,900
Adjustments to Reconcile:		
Change in Accounts Receivable	(40,129)	(823)
Change in Prepaid Expenses and Other Current Assets	(1,167)	23,790
Change in Accounts Payable	(57,681)	11,496
Change in Accrued Expenses	(86,641)	(16,800)
Change in Prepaid Fees and Tuition from Students	295,166	(304,785)
Net Cash Provided by Operating Activities	$ 490,642	$ 156,218

Note 7. NOTES PAYABLE

As of June 30, 2021 and 2020, notes payable were as follows:

	2021	2020
Bank of Hawaii, loan payable, carries interest rate of 3.76%, monthly installments $32,747, which matures on 10/27/2027 with a lump sum payment of $1,788,649. Mortgage is secured by all the assets of the School and has certain covenants that have been met by the School. In April 2020, the School was granted a modification to the loan to allow for interest only payments for 6 months due to the COVID-19 pandemic.	$ 3,747,294	$ 3,872,139
Less Current Portion	(260,652)	(168,410)
Net Long-Term Debt	$ 3,486,642	$ 3,703,729

The principal payments required on long-term debt for the next five years are as follows:

2022	$ 260,652
2023	270,623
2024	280,976
2025	291,725
2026	302,884
Thereafter	2,340,434
Total	$ 3,747,294

Note 8. SUBSEQUENT EVENTS

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through August 9, 2021, the date the financial statements were available to be issued.

Subsequent to year end, the COVID-19 pandemic was still ongoing. The United States economy was negatively affected and the financial markets have experienced fluctuations due to the outbreak. At the time these financial statements were available to be issued, the situation remained volatile and the full effect of the pandemic on the operations of the School could not be determined.

Note 9. ENDOWMENTS

The School's endowment funds consist of donor restricted gifts. The endowments include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. At June 30, 2021 and 2020, the endowment net assets amounted to $277,786 and $206,370, respectively.

For the year ended June 30, 2021, endowment net assets composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions through Perpetuity	Total
Donor-restricted endowment	$ -	$ 159,874	$ 109,920	$ 269,794
Board-designated endowment	7,992	-	-	7,992
Total Funds	$ 7,992	$ 159,874	$ 109,920	$ 277,786

Note 9. ENDOWMENTS (Continued)

Changes in endowment net assets as follows:

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions through Perpetuity	Total
Endowment Net Assets June 30, 2020	$ 7,992	$ 94,458	$ 103,920	$ 206,370
Investment Return:				
Investment Income	-	5,156	-	5,156
Net Appreciation	-	60,260	-	60,260
Total Investment Return	-	65,416	-	65,416
Endowment Increase	-	-	6,000	6,000
Appropriation of Endowment Assets for Expenditure	-	-	-	-
Endowment Net Assets June 30, 2021	$ 7,992	$ 159,874	$ 109,920	$ 277,786

Interpretation of the law

The Board of Directors of the School has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the School classifies net assets with donor restrictions through perpetuity as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift at the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions through perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the School in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPIMFA, management considers in its determination to appropriate or accumulate donor restricted endowment funds the following factors:

1. The duration and preservation of the fund
2. The purposes of the School and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the School
7. The investment policies of the School

Note 9. ENDOWMENTS (Concluded)

Return Objectives and Risk Parameters

The School has adopted investment and spending policies for endowment assets that attempt to provide a total return over longer term consistent with preservation of principal. It is expected that earnings growth will exceed the rate of inflation, as measured by the Consumer Price Index, by at least 2-5 percentage points, measured over a five-year period and that the real purchasing power of the Endowment be maintained.

Strategies Employed for Achieving Objectives

In order to meet the School's return objectives, the Board of Directors determines appropriate investments with the primary purpose of preservation of capital.

Spending Policy

It is the policy of the School that spending of interest earned from endowments be limited to Board of Director approval and concurrent with donor restrictions.

Funds with Deficiencies

From time to time the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the School to retain as a fund of perpetual duration. As of June 30, 2021 there were no deficiencies of this nature.

Note 10. FAIR VALUE MEASUREMENTS

The School implemented ASC 820-10-50-1, as amended by ASU 2018-13, which establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

This fair value hierarchy consists of three broad levels.

- Level 1 inputs consist of unadjusted quoted prices in active markets such as stock exchanges for identical assets and have the highest priority.
- Level 2 inputs consist of significant other observable inputs such as quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs consist of significant unobservable inputs and include situations where there is little, if any, market activity for the investment. The inputs require significant judgment or estimates, such as those associated with discounted cash flow methodologies and appraisals.

Note 10. FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets measured on a recurring basis are as follows, there are no liabilities or other assets measured at fair value on a recurring or non-recurring basis:

Assets	Total June 30, 2021	Quoted Prices: Level 1	Significant Other Inputs: Level 2	Significant Non-Observable Inputs: Level 3
Certificates of Deposits	$ 1,060,583	$ 1,060,583	$ -	$ -
Mutual Funds	287,615	287,615	-	-
Exchange-Traded and Closed Ended Funds	252,398	252,398	-	-
Equities	101,813	101,813	-	-
Held in Trust for Unemployment Claims - *	25,652	-	-	25,652
Total	$ 1,728,061	$ 1,702,409	$ -	$ 25,652

Assets	Total June 30, 2020	Quoted Prices: Level 1	Significant Other Inputs: Level 2	Significant Non-Observable Inputs: Level 3
Certificates of Deposits	$ 839,021	$ 839,021	$ -	$ -
Mutual Funds	234,112	234,112	-	-
Exchange-Traded and Closed Ended Funds	175,525	175,525	-	-
Equities	87,911	87,911	-	
Held in Trust for Unemployment Claims - *	31,055	-	-	31,055
Total	$ 1,367,624	$ 1,336,569	$ -	$ 31,055

* - The fair value of the investments held for unemployment claims is determined by reference to statements received from the unemployment trust company.

* - The table below presents information about the changes in the investments held for unemployment claims, which is measured at fair value on a recurring basis using significant unobservable inputs for the years ended June 30:

	2021	2020
Balance, beginning of year	$ 31,055	$ 38,661
Deposits	41,348	19,457
Claims paid	(43,631)	(26,169)
Allocated income	2,287	3,799
Allocated expenses	(5,407)	(4,693)
Balance, end of year	$ 25,652	$ 31,055

Note 11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Management's policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Financial Assets at June 30, 2021	$	4,486,377
Less those unavailable for general expenditures within one year due to:		
Net Assets With Donor Restrictions		(624,650)
Financial Asset available to meet cash needs for general expenditures within one year	$	3,861,727

Note 12. PAYROLL PROTECTION PROGRAM LOAN

On April 14, 2020, the School received the first round of loan proceeds in the amount of $431,200 under the Paycheck Protection Program ("PPP"). On February 16, 2021, the School received the second round of loan proceeds in the amount of $472,920. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness can be reduced if the borrower terminates employees or reduces salaries over the period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The School used the proceeds for purposes consistent with the PPP and therefore plans to meet the conditions for forgiveness of the loan. Until the bank has forgiven the indebtedness in whole or in part, the School will maintain the loan balance on the statement of financial position accordingly.

Note 13. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, *Leases*, which supersedes FASB Accounting Standards Codification (ASC) Topic 840, Leases, and makes other conforming amendments to U.S. GAAP. ASU 2016-02, requires, among other changes to the lease accounting guidance, lessees to recognize most leases on the balance sheet via a right-of-use asset and lease liability as well as additional qualitative and quantitative disclosures. ASU 2016-02 is effective for entity fiscal years beginning December 15, 2022, but permits early adoption, and mandates a modified retrospective transition method. The provisions are effective for the School's fiscal year ending June 30, 2023. Management is currently evaluating the impact that the adoption of these provisions will have on the financial statements, but expects ASU 2016-02 to add significant right-of-use assets and lease liabilities to the statement of financial position.