

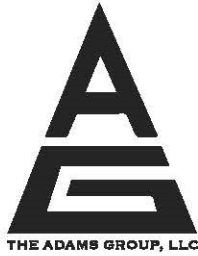
**DELTA GAMMA ANCHOR CENTER
FOR BLIND CHILDREN**

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

CONTENTS

| | |
|-----------------------------------|---------|
| Independent Auditors' Report | 2 - 3 |
| Financial Statements | |
| Statements of Financial Position | 4 |
| Statements of Activities | 5 - 6 |
| Statements of Functional Expenses | 7 - 8 |
| Statements of Cash Flows | 9 |
| Notes to Financial Statements | 10 - 19 |



CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Board of Directors
Delta Gamma Anchor Center for Blind Children
Denver, Colorado

We have audited the accompanying financial statements of Delta Gamma Anchor Center for Blind Children (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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 Delta Gamma Anchor Center for Blind Children, as of June 30, 2021 and 2020, 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.

The Adams Group, LLC

September 13, 2021
Denver, Colorado

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENTS OF FINANCIAL POSITION

| June 30, | 2021 | 2020 |
|--|---------------|---------------|
| <u>Assets</u> | | |
| Cash and cash equivalents | \$ 1,246,177 | \$ 3,055,723 |
| Cash held for long-term purposes | 201,970 | 107,810 |
| Promises to give | 757,308 | 663,119 |
| Investments | 9,328,744 | 5,341,639 |
| Prepaid expenses | 56,634 | 47,001 |
| Property and equipment, net | 4,402,480 | 4,556,577 |
| Total Assets | \$ 15,993,313 | \$ 13,771,869 |
| <u>Liabilities and Net Assets</u> | | |
| <u>Liabilities</u> | | |
| Accounts payable and accrued expenses | \$ 209,041 | \$ 89,134 |
| Paycheck Protection Program liability | 0 | 300,800 |
| Deferred revenue | 63,795 | 83,519 |
| Total liabilities | 272,836 | 473,453 |
| <u>Net Assets</u> | | |
| Without donor restriction | | |
| Undesignated | 5,944,063 | 5,990,938 |
| Board designated | 5,247,959 | 4,528,661 |
| Total net assets without donor restriction | 11,192,022 | 10,519,599 |
| With donor restriction | | |
| | 4,528,455 | 2,778,817 |
| Total net assets | 15,720,477 | 13,298,416 |
| Total Liabilities and Net Assets | \$ 15,993,313 | \$ 13,771,869 |

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENT OF ACTIVITIES

For the Year Ended June 30,

2021

| | Without Donor Restriction | With Donor Restriction | Total |
|--|---------------------------------|------------------------------|---------------|
| <u>Support, Revenue, and Other Gains</u> | | | |
| Contributions | \$ 1,007,305 | \$ 1,289,541 | \$ 2,296,846 |
| Program fees | 100,339 | 0 | 100,339 |
| Federal awards | 312,975 | 0 | 312,975 |
| Special events, net | 566,686 | 0 | 566,686 |
| Investment income, net | 661,306 | 765,259 | 1,426,565 |
| Other | 2,625 | 0 | 2,625 |
| Net assets released from restrictions | 305,162 | (305,162) | 0 |
| | 2,956,398 | 1,749,638 | 4,706,036 |
| <u>Expenses</u> | | | |
| Program services | | | |
| School | 1,843,928 | | 1,843,928 |
| Supporting services | | | |
| General and administrative | 97,719 | | 97,719 |
| Fundraising | 342,328 | | 342,328 |
| Total supporting services | 440,047 | | 440,047 |
| Total expenses | 2,283,975 | | 2,283,975 |
| Changes in net assets | 672,423 | 1,749,638 | 2,422,061 |
| Net assets, beginning of year | 10,519,599 | 2,778,817 | 13,298,416 |
| Net assets, end of year | \$ 11,192,022 | \$ 4,528,455 | \$ 15,720,477 |

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENT OF ACTIVITIES

For the Year Ended June 30,

2020

| | Without Donor Restriction | With Donor Restriction | Total |
|--|---------------------------------|------------------------------|---------------|
| <u>Support, Revenue, and Other Gains</u> | | | |
| Contributions | \$ 1,287,674 | \$ 184,257 | \$ 1,471,931 |
| Program fees | 110,071 | 0 | 110,071 |
| Federal awards | 4,000 | 0 | 4,000 |
| Special events, net | 365,413 | 0 | 365,413 |
| Investment income, net | 73,809 | 85,487 | 159,296 |
| Other | 4,071 | 0 | 4,071 |
| Net assets released from restrictions | 292,701 | (292,701) | 0 |
| Total support, revenue, and other gains | 2,137,739 | (22,957) | 2,114,782 |
| <u>Expenses</u> | | | |
| Program services | | | |
| School | 1,897,735 | | 1,897,735 |
| Supporting services | | | |
| General and administrative | 110,708 | | 110,708 |
| Fundraising | 375,582 | | 375,582 |
| Total supporting services | 486,290 | | 486,290 |
| Total expenses | 2,384,025 | | 2,384,025 |
| Changes in net assets | (246,286) | (22,957) | (269,243) |
| Net assets, beginning of year | 10,765,885 | 2,801,774 | 13,567,659 |
| Net assets, end of year | \$ 10,519,599 | \$ 2,778,817 | \$ 13,298,416 |

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30,

2021

| | <u>Supporting Services</u> | | | <u>Total Supporting Services</u> | <u>Total Expense</u> |
|---|----------------------------|---------------------------------------|--------------------|--|--------------------------|
| | <u>School</u> | <u>General and Administrative</u> | <u>Fundraising</u> | | |
| Salaries and wages | \$ 1,132,170 | \$ 57,043 | \$ 258,575 | \$ 315,618 | \$ 1,447,788 |
| Employee benefits | 77,654 | 3,769 | 17,402 | 21,171 | 98,825 |
| Payroll taxes | 82,426 | 4,153 | 18,825 | 22,978 | 105,404 |
| Total compensation | <u>1,292,250</u> | <u>64,965</u> | <u>294,802</u> | <u>359,767</u> | <u>1,652,017</u> |
| Professional fees | 37,133 | 10,894 | 10,428 | 21,322 | 58,455 |
| Supplies | 65,161 | 1,311 | 229,746 | 231,057 | 296,218 |
| Telephone | 8,713 | 300 | 1,785 | 2,085 | 10,798 |
| Postage | 3,913 | 135 | 1,022 | 1,157 | 5,070 |
| Occupancy | 175,987 | 11,744 | 96,127 | 107,871 | 283,858 |
| Equipment rental and maintenance | 9,083 | 235 | 1,399 | 1,634 | 10,717 |
| Printing | 6,827 | 235 | 1,399 | 1,634 | 8,461 |
| Dues and subscriptions | 2,948 | 0 | 0 | 0 | 2,948 |
| Travel and conventions | 3,598 | 0 | 0 | 0 | 3,598 |
| Miscellaneous | 6,321 | 38,811 | 7,650 | 46,461 | 52,782 |
| Depreciation | 231,994 | 7,484 | 9,978 | 17,462 | 249,456 |
| Total expenses | <u>1,843,928</u> | <u>136,114</u> | <u>654,336</u> | <u>790,450</u> | <u>2,634,378</u> |
| Less: investment expenses netted with revenues | 0 | (38,395) | 0 | (38,395) | (38,395) |
| Less: special events netted with revenues | 0 | 0 | (312,008) | (312,008) | (312,008) |
| Total expenses on statement of activities | <u>\$ 1,843,928</u> | <u>\$ 97,719</u> | <u>\$ 342,328</u> | <u>\$ 440,047</u> | <u>\$ 2,283,975</u> |

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30,

2020

| | <u>Supporting Services</u> | | | <u>Total Supporting Services</u> | <u>Total Expense</u> |
|---|----------------------------|---------------------------------------|--------------------|--|--------------------------|
| | <u>School</u> | <u>General and Administrative</u> | <u>Fundraising</u> | | |
| Salaries and wages | \$ 1,125,447 | \$ 67,389 | \$ 278,529 | \$ 345,918 | \$ 1,471,365 |
| Employee benefits | 92,778 | 5,273 | 22,150 | 27,423 | 120,201 |
| Payroll taxes | 82,409 | 4,934 | 20,395 | 25,329 | 107,738 |
| Total compensation | <u>1,300,634</u> | <u>77,596</u> | <u>321,074</u> | <u>398,670</u> | <u>1,699,304</u> |
| Professional fees | 52,502 | 10,649 | 5,451 | 16,100 | 68,602 |
| Supplies | 87,156 | 1,838 | 238,366 | 240,204 | 327,360 |
| Telephone | 8,625 | 307 | 1,531 | 1,838 | 10,463 |
| Postage | 4,327 | 154 | 805 | 959 | 5,286 |
| Occupancy | 171,440 | 11,489 | 73,721 | 85,210 | 256,650 |
| Equipment rental and maintenance | 8,078 | 287 | 1,434 | 1,721 | 9,799 |
| Printing | 10,612 | 377 | 1,883 | 2,260 | 12,872 |
| Dues and subscriptions | 3,357 | 0 | 0 | 0 | 3,357 |
| Travel and conventions | 6,238 | 0 | 0 | 0 | 6,238 |
| Miscellaneous | 9,645 | 27,635 | 18,446 | 46,081 | 55,726 |
| Depreciation | 235,121 | 7,585 | 10,112 | 17,697 | 252,818 |
| Total expenses | <u>1,897,735</u> | <u>137,917</u> | <u>672,823</u> | <u>810,740</u> | <u>2,708,475</u> |
| Less: investment expenses netted with revenues | 0 | (27,209) | 0 | (27,209) | (27,209) |
| Less: special events netted with revenues | 0 | 0 | (297,241) | (297,241) | (297,241) |
| Total expenses on statement of activities | <u>\$ 1,897,735</u> | <u>\$ 110,708</u> | <u>\$ 375,582</u> | <u>\$ 486,290</u> | <u>\$ 2,384,025</u> |

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
STATEMENTS OF CASH FLOWS

| For the Years Ended June 30, | 2021 | 2020 |
|--|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Cash received from contributions | \$ 2,200,892 | \$ 1,931,182 |
| Cash received from federal awards | 12,175 | 4,000 |
| Other cash received | 824,711 | 588,258 |
| Interest and dividends received | 119,886 | 146,168 |
| Cash paid to employees and suppliers | <u>(2,097,265)</u> | <u>(2,186,848)</u> |
| Net cash provided by operating activities | <u>1,060,399</u> | <u>482,760</u> |
| Cash flows from investing activities: | | |
| Proceeds from sales of investments | 1,562,274 | 738,853 |
| Purchase of investments | (4,242,700) | (676,025) |
| Purchase of property and equipment | (95,359) | (2,934) |
| Cash held for long-term purposes | <u>(94,160)</u> | <u>(37,167)</u> |
| Net cash provided by (used for) investing activities | <u>(2,869,945)</u> | <u>22,727</u> |
| Cash flows from financing activities: | | |
| Proceeds from Paycheck Protection Program loan | <u>0</u> | <u>300,800</u> |
| Net increase (decrease) in cash and cash equivalents | (1,809,546) | 806,287 |
| Cash and cash equivalents at beginning of year | <u>3,055,723</u> | <u>2,249,436</u> |
| Cash and cash equivalents at end of year | <u>\$ 1,246,177</u> | <u>\$ 3,055,723</u> |

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

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Delta Gamma Anchor Center for Blind Children (the Center) is a nonprofit corporation whose mission is to teach visually impaired infants, young children and their families, providing hope and a nurturing environment where children reach their highest potential.

The Center is exempt from income tax under section 501(c)(3) of the United States Internal Revenue Code (Code) and comparable state law, and contributions to it are deductible within the limitations prescribed by the Code. The Center has been classified as a publicly supported organization which is not a private foundation under section 509(a) of the Code. The Center did not have any material unrelated business income tax liability or significant uncertain income tax positions for the years ended June 30, 2021 and 2020. The Center is generally no longer subject to examination by the Internal Revenue Service for years before June 30, 2018.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Classes of Net Assets

The financial statements report amounts separately by classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions, or the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Center.

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 Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable State law.

Contributions

Contributions, a principal source of revenue, are recorded as net assets without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions are recognized when cash or ownership of donated assets is unconditionally promised to the Center. Donor restricted contributions whose restrictions are met in the same reporting period are reported as contributions without restriction in the statement of activities.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Goods

The Center receives contributed goods for various fundraising events. During the years ended June 30, 2021 and 2020, the Center recognized contributed goods of \$138,988 and \$142,856. Donated services are only recorded if the services create or enhance a nonfinancial asset or require specialized skills that the Center would otherwise need to purchase. Many individuals volunteer their time and perform a variety of tasks to assist the Center. However, no amounts are reflected in the accompanying financial statements as this time did not meet the criteria for recognition under generally accepted accounting principles.

Cash and cash equivalents

The Center considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Center periodically has cash accounts that exceed the federally insured limit. They are selective with regard to the choice of financial institutions with which they deposit funds.

Investments

Investments are carried at fair value based on quoted prices in active markets. Donated investments are initially recorded at fair value on the date of donation. Realized and unrealized gains and losses are reflected in the statement of activities.

Promises to Give

Promises to give are recorded at the net present value, determined using a discount rate commensurate with the IRS Applicable Federal Rate on the date of the promise, as receivables in the year made. Donor restricted promises to give are reported as additions to the appropriate class of net assets. Promises to give are stated net of an allowance for doubtful accounts estimated by management. As of June 30, 2021 and 2020, management believes all promises to give are collectible.

Property, Equipment and Depreciation

Assets over \$5,000 are recorded at cost if purchased, or if donated at their fair value at the time of the donation. Depreciation of property and equipment is provided over the estimated useful life of the respective asset on a straight-line basis. The Center reports gifts of land, buildings, and equipment as support without donor restriction unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restriction. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited on several bases and estimates. Salaries and benefits are allocated based on time and effort. Occupancy costs are generally based on square footage. Other expenses, such as telephone, are generally allocated based on headcount. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Advertising Costs

The costs of promotion and advertising are expensed as incurred.

Reclassifications

Certain reclassifications have been made to prior year information to conform with current year presentation.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 13, 2021, which is the date the financial statements were available to be issued.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Center's financial assets available within one year of June 30, 2021 for general expenditure are as follows:

| | |
|-----------------------------------|---------------------|
| Cash and cash equivalents | \$ 1,246,177 |
| Promises to give | 257,308 |
| Investments | <u>9,328,744</u> |
| | 10,832,229 |
| Less: donor restricted net assets | (4,528,455) |
| Less: board designated net assets | <u>(5,247,959)</u> |
| Available for general expenditure | <u>\$ 1,055,815</u> |

As part of the Center's liquidity management, it structures its financial assets to be available to meet 90 days of budgeted cash operating expenses. Excess cash is invested in short-term investments, including money market accounts and certificates of deposits.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

In addition to the resources available above, the Center has a quasi-endowment of \$5,247,959 and \$4,528,661 as of June 30, 2021 and 2020. Although the Center does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary. The Center's endowment funds consist of donor-restricted endowments and a quasi-endowment. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure.

NOTE 3 – INVESTMENTS

| | <u>2021</u> | <u>2020</u> |
|--|-------------------------|-------------------------|
| Carried at fair value (based on quoted market prices): | | |
| Equities | \$ 5,173,351 | \$ 3,417,446 |
| Fixed income | 4,017,347 | 1,324,807 |
| Real estate funds | 84,566 | 58,094 |
| Other | 53,480 | 24,497 |
| | <u>9,328,744</u> | <u>4,824,844</u> |
| Certificate of deposit | <u>0</u> | <u>516,795</u> |
| Total investments | <u>\$ 9,328,744</u> | <u>\$ 5,341,639</u> |

Composition of investment return:

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------|-------------------------|-----------------------|
| Dividends and interest | \$ 119,886 | \$ 146,168 |
| Unrealized gain (loss) on investments | 1,190,164 | (20,567) |
| Realized gains on investments | 154,910 | 60,904 |
| Investment expenses | <u>(38,395)</u> | <u>(27,209)</u> |
| Total investment income | <u>\$ 1,426,565</u> | <u>\$ 159,296</u> |

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Center's investments are valued using Level 1, Quoted Prices in Active Markets for Identical Assets input. Certificates of deposit are measured at fair value using Level 2 inputs, Observable Information for Similar Items in Active or Inactive Markets input. The Center reviews its holdings on a regular basis to determine if any investment has experienced an other-than-temporary decline in fair value.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – PROMISES TO GIVE

Eighty-five percent of promises to give at June 30, 2021 were from two trusts. The promises to give from various trusts and individuals were as follows:

| | <u>2021</u> | <u>2020</u> |
|------------------------|-------------------|-------------------|
| In less than one year | \$ 257,308 | \$ 663,119 |
| In one to five years | <u>500,000</u> | <u>0</u> |
| Total promises to give | <u>\$ 757,308</u> | <u>\$ 663,119</u> |

NOTE 5 – PROPERTY AND EQUIPMENT

| | <u>2021</u> | <u>2020</u> |
|-----------------------------------|---------------------|---------------------|
| Building | \$ 6,576,454 | \$ 6,561,882 |
| Furniture | 195,684 | 195,684 |
| Equipment | 239,216 | 300,255 |
| Auto | 23,000 | 23,000 |
| Logo | 6,826 | 6,826 |
| Artwork | <u>18,856</u> | <u>18,856</u> |
| | 7,060,036 | 7,106,503 |
| Accumulated depreciation | <u>(3,422,222)</u> | <u>(3,233,807)</u> |
| | 3,637,814 | 3,872,696 |
| Construction in progress | 80,785 | 0 |
| Land | <u>683,881</u> | <u>683,881</u> |
| Total property and equipment, net | <u>\$ 4,402,480</u> | <u>\$ 4,556,577</u> |

Depreciation expense was \$249,456 and \$252,818 for the years ended June 30, 2021 and 2020.

NOTE 6 – DEFERRED REVENUE

The Center receives sponsorships and ticket revenue as well as prepaid tuition which is recorded as deferred revenue. The revenue and associated expense will be recognized when the event and school takes place in the subsequent period. Also included in deferred revenue at June 30, 2021 is a \$50,000 contribution with a donor condition which will be recognized as revenue when the condition is substantially met. Deferred revenue was \$63,795 and \$89,134 as of June 30, 2021 and 2020.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – RESTRICTIONS ON NET ASSETS

Net assets are available for the following purposes:

| | <u>2021</u> | <u>2020</u> |
|--|----------------------|----------------------|
| Net assets without donor restriction: | | |
| Undesignated | \$ 5,944,063 | \$ 5,990,938 |
| Designated for quasi-endowments | <u>5,247,959</u> | <u>4,528,661</u> |
| Total net assets without donor restriction | <u>\$ 11,192,022</u> | <u>\$ 10,519,599</u> |
| | <u>2021</u> | <u>2020</u> |
| Net assets with donor restriction: | | |
| Cortical visual impairment (CVI) programs | \$ 1,000,000 | \$ 0 |
| Capital expenses | 128,246 | 0 |
| Parent Compass | 1,201 | 1,804 |
| Schlessman endowment | 65,487 | 65,487 |
| Minning endowment | 5,000 | 5,000 |
| Mumey endowment | 50,000 | 50,000 |
| Hynd endowment | 17,000 | 17,000 |
| Austin Glen endowment | 1,703,948 | 1,373,089 |
| Greenleaf Trust endowment | 1,547,573 | 1,256,437 |
| Rose Community endowment | <u>10,000</u> | <u>10,000</u> |
| Total net assets with donor restriction | <u>\$ 4,528,455</u> | <u>\$ 2,778,817</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| Capital expenses | \$ 80,785 | \$ 0 |
| Building maintenance | 88,641 | 47,398 |
| Digital literacy | 0 | 18,000 |
| Family support | 8,000 | 9,300 |
| Operations | 59,623 | 71,103 |
| Parent Compass | 618 | 0 |
| Supplies | 4,995 | 1,000 |
| Therapy | <u>62,500</u> | <u>145,900</u> |
| Total net assets released from donor restriction | <u>\$ 305,162</u> | <u>\$ 292,701</u> |

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – SPECIAL EVENTS

| | <u>2021</u> | <u>2020</u> |
|-----------------------------|-------------------|-------------------|
| Revenues | | |
| Sunset in the Country 2020 | \$ 463,394 | \$ 0 |
| Sunset in the Country 2019 | 0 | 601,991 |
| Foresight Golf Classic 2021 | 217,949 | 0 |
| Foresight Golf Classic 2020 | 130,965 | 0 |
| Visions of Love 2021 | 66,386 | 0 |
| Visions of Love 2020 | 0 | 60,663 |
| Total revenues | <u>878,694</u> | <u>662,654</u> |
| Expenses | | |
| Sunset in the Country 2020 | 127,088 | 0 |
| Sunset in the Country 2019 | 0 | 260,595 |
| Foresight Golf Classic 2021 | 102,672 | 0 |
| Foresight Golf Classic 2020 | 57,023 | 0 |
| Visions of Love 2021 | 25,225 | 0 |
| Visions of Love 2020 | 0 | 36,646 |
| Total expenses | <u>312,008</u> | <u>297,241</u> |
| Net Special Event Revenue | <u>\$ 566,686</u> | <u>\$ 365,413</u> |

NOTE 9 – ENDOWMENTS

The Center’s endowments consist of donor-restricted endowment funds and board-designated endowment funds. As required by the generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of the Center has interpreted the Colorado Prudent Management of Institutional Funds Act (CPMIFA) 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 Center classifies as net assets with donor restriction in perpetuity and board designated net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time 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 restriction in perpetuity or board designated net assets is classified as net assets with donor restriction temporarily until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by CPMIFA.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – ENDOWMENTS (CONTINUED)

In accordance with CPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor restricted and board designated endowment funds:

1. The duration and preservation of the fund.
2. The purpose of the Center 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 Center.
7. The investment policies of the Center.
8. One of the Center's donor restricted endowments has a perpetual restriction that requires an affirmative vote of at least two-thirds of the entire Board in order to withdraw amounts greater than the amount calculated under the endowment's Spending Policy. The Center held \$3,399,008 and \$2,777,013 in donor restricted endowment net assets as of June 30, 2021 and 2020 and \$5,247,959 and \$4,528,661 in board designated endowment net asset as of June 30, 2021 and 2020.

Changes in endowment net assets for the years ended June 30, 2021 and 2020:

| | <u>Board Designated</u> | <u>Donor Restricted</u> | <u>Total</u> |
|-----------------------|-----------------------------|-----------------------------|--------------------|
| Balance June 30, 2019 | \$2,267,570 | \$2,800,028 | \$5,067,598 |
| Contributions | 2,348,581 | 10,000 | 2,358,581 |
| Investment income | 60,364 | 85,487 | 145,851 |
| Withdrawals | <u>(147,854)</u> | <u>(118,502)</u> | <u>(266,356)</u> |
| Balance June 30, 2020 | 4,528,661 | 2,777,013 | 7,305,674 |
| Contributions | 845,610 | 0 | 845,610 |
| Investment income | 647,651 | 783,369 | 1,431,020 |
| Withdrawals | <u>(773,963)</u> | <u>(161,374)</u> | <u>(935,337)</u> |
| Balance June 30, 2021 | <u>\$5,247,959</u> | <u>\$3,399,008</u> | <u>\$8,646,967</u> |

As of June 30, 2021, the original gift value of donor restricted endowments to be preserved in perpetuity was \$2,137,849.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Operating Leases

The Center entered into operating leases for copiers that expire at various times through 2025. Lease expense for the years ended June 30, 2021 and 2020 was \$7,219 and \$7,934.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating Leases (continued)

Future minimum lease payments for the succeeding years ending June 30:

| | | |
|------|----|-------|
| 2022 | \$ | 6,720 |
| 2023 | | 6,720 |
| 2024 | | 6,720 |
| 2025 | | 3,920 |

Event Commitments

The Center has an annual Sunset Event, Sunset in the Country, for which the Center has signed a contract with a caterer to provide services for the event and with a production company for a video production for the event. The contracts contain various penalties for failure to hold the event. The Center has not incurred penalties for failure to hold events for the years ended June 30, 2021 and 2020.

Construction Commitments

The Center engaged a contractor for renovations to the basement, which began in June 2021. The estimated remaining cost to complete the renovations is approximately \$359,000 and is expected to be completed in the 2022 fiscal year.

Paycheck Protection Program

During the 2020 fiscal year, the Center received \$300,800 pursuant to the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act. PPP provides loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll and certain other expenses. The loans and accrued interest are forgivable after 24 weeks if the borrower uses the loan proceeds for eligible purposes. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24-week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%. In March 2021, the Organization was notified that the PPP loan was forgiven in full and was therefore recognized as federal awards income for the year ended June 30, 2021.

Global COVID-19 Pandemic

The outbreak of COVID-19 has been declared a pandemic and has spread to multiple global regions. The impact of this pandemic has been extensive in many aspects of society, which has resulted in significant disruptions to the global economy. In an effort to halt the outbreak of COVID-19, many governments around the world have encouraged or required that people only leave their home for essential tasks and many businesses have announced closures. This may have a negative impact on the Center, the magnitude and duration of which is uncertain.

DELTA GAMMA ANCHOR CENTER FOR BLIND CHILDREN
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – PENSION PLAN

The Center offers a tax deferred annuity 403(b) retirement plan to all eligible employees. The Center provides matching funds of 4% to full time employees with one year of service and 5.6% to full time employees with two or more years of service. Pension expense was \$40,563 and \$35,003 for the years ended June 30, 2021 and 2020.

NOTE 12 – CONCENTRATION IN DONATIONS

For the year ended June 30, 2021, two donors comprised 59% of total contributions. One of these donors is a board member who contributed \$1,050,000 for the year ended June 30, 2021. There were no donations from an individual donor comprising ten percent or more of total contributions for the year ended June 30, 2020. The Center monitors its cash flow and liquidity so that it does not rely on these large donations to perform its exempt purpose.