



Financial Statements
June 30, 2022
(With Comparative Totals For 2021)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Achievable Foundation:

Report of the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Achievable Foundation (a nonprofit California corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Achievable Foundation (the Organization) as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Winder, Inc.

Long Beach, California
January 25, 2023

THE ACHIEVABLE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

ASSETS

	June 30,	
	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,366,905	\$ 2,275,937
Patient receivables, net of allowance for doubtful accounts of \$56,000 in 2022 and \$34,540 in 2021	278,807	249,884
Government support receivables	14,847	43,470
Contribution receivables	76,000	-
Prepaid expenses and other current assets	452	3,938
	2,737,011	2,573,229
 SECURITY DEPOSITS	 27,473	 13,900
 PROPERTY AND EQUIPMENT, net	 133,874	 133,212
 TOTAL ASSETS	 \$ 2,898,358	 \$ 2,720,341

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and other liabilities	\$ 21,331	\$ 58,344
Accrued payroll liabilities	260,490	249,446
Deferred revenue	50,000	-
Medical claims settlement	-	15,236
Note payable	98,069	95,008
Deferred rent liability	9,295	-
Economic Injury Disaster loan	4,372	-
	443,557	418,034
 NONCURRENT LIABILITIES		
Note payable, net of current	268,323	366,278
Medical claims settlement, net of current	30,000	64,647
Deferred rent liability, net of current	132,104	92,193
Economic Injury Disaster loan, net of current	145,628	150,000
	576,055	673,118
 COMMITMENTS AND CONTINGENCIES (Note 8)		
 NET ASSETS		
Without donor restrictions	1,814,426	1,538,074
With donor restrictions	64,320	91,115
	1,878,746	1,629,189
 TOTAL LIABILITIES AND NET ASSETS	 \$ 2,898,358	 \$ 2,720,341

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

THE ACHIEVABLE FOUNDATION

**STATEMENT OF ACTIVITIES
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
SUPPORT AND REVENUE				
Contributions	\$ 360,465	\$ 166,825	\$ 527,290	\$ 541,206
Government support	1,243,016	-	1,243,016	1,221,303
Patient services	2,146,153	-	2,146,153	1,879,329
Special events, net	74,917	-	74,917	24,361
Other income	39,125	-	39,125	946
Forgiveness of PPP loan advance	-	-	-	316,800
Satisfaction of program requirements	193,620	(193,620)	-	-
Total Support and Revenue	4,057,296	(26,795)	4,030,501	3,983,945
EXPENSES				
Program Services:				
Client services	2,797,203	-	2,797,203	2,782,209
Supporting Services:				
General and administrative	763,469	-	763,469	800,703
Fund-raising	220,272	-	220,272	224,140
	983,741	-	983,741	1,024,843
Total Expenses	3,780,944	-	3,780,944	3,807,052
CHANGE IN NET ASSETS	276,352	(26,795)	249,557	176,893
NET ASSETS AT BEGINNING OF YEAR	1,538,074	91,115	1,629,189	1,452,296
NET ASSETS AT END OF YEAR	\$ 1,814,426	\$ 64,320	\$ 1,878,746	\$ 1,629,189

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

THE ACHIEVABLE FOUNDATION

**STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>	
	<u>Client Services</u>	<u>General and Administrative</u>	<u>Fund-raising</u>	<u>2022</u>	<u>2021</u>
Salaries and wages	\$ 1,704,520	\$ 531,425	\$ 120,498	\$ 2,356,443	\$ 2,343,777
Payroll taxes	131,772	37,200	8,500	177,472	169,836
Health insurance and other benefits	180,683	41,904	5,052	227,639	256,941
Total Salaries and Related Expenses	<u>2,016,975</u>	<u>610,529</u>	<u>134,050</u>	<u>2,761,554</u>	<u>2,770,554</u>
Achievable clinic expenses	301,728	13,069	7,466	322,263	288,851
Professional and consulting fees	109,050	18,236	29,811	157,097	187,959
Accounting fees	25,108	13,682	-	38,790	64,494
Rent and maintenance	193,583	50,262	21,176	265,021	218,106
Equipment and software	9,652	7,702	16,661	34,015	52,528
Staff recruitment and development	15,200	15,915	237	31,352	13,429
Travel and meetings	1,388	1,575	387	3,350	7,137
Communication	47,683	4,798	701	53,182	56,327
Insurance	26,282	10,579	-	36,861	32,159
Bank and interest expense	4,144	14,034	627	18,805	13,354
Printing	1,688	898	3,936	6,522	13,353
Other operating expenses	1,343	2,190	5,220	8,753	43,141
Depreciation and amortization	<u>43,379</u>	<u>-</u>	<u>-</u>	<u>43,379</u>	<u>45,660</u>
TOTAL EXPENSES	<u><u>\$ 2,797,203</u></u>	<u><u>\$ 763,469</u></u>	<u><u>\$ 220,272</u></u>	<u><u>\$ 3,780,944</u></u>	<u><u>\$ 3,807,052</u></u>

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

THE ACHIEVABLE FOUNDATION

**STATEMENT OF CASH FLOWS
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

	For the Year Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 249,557	\$ 176,893
Adjustments to reconcile change in net assets to net cash from operating activities:		
Forgiveness of PPP loan	-	(316,800)
Depreciation and amortization	43,379	45,660
Provision for doubtful accounts	21,460	4,540
Changes in assets and liabilities:		
(Increase) decrease in:		
Patient receivables, net	(50,383)	(37,121)
Government support receivables	28,623	240,119
Contribution receivables	(76,000)	-
Prepaid expenses and other current assets	3,486	29,596
Security deposits	(13,573)	-
Increase (decrease) in:		
Accounts payable and other liabilities	(37,013)	(34,378)
Accrued payroll liabilities	11,044	84,826
Deferred revenue	50,000	-
Medical claims settlement	(49,883)	(54,083)
Deferred rent liability	49,206	330
Net Cash Provided By Operating Activities	229,903	139,582
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(44,041)	-
Net Cash Used In Investing Activities	(44,041)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Economic Disaster Injury loan	-	150,000
Payment of notes payable	(94,894)	(38,714)
Net Cash (Used In) Provided By Financing Activities	(94,894)	111,286
NET CHANGE IN CASH AND CASH EQUIVALENTS	90,968	250,868
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,275,937	2,025,069
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,366,905	\$ 2,275,937
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 14,034	\$ 13,627

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

THE ACHIEVABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE INFORMATION FOR 2021)

NOTE 1 – Organization

Organization and Operations

The Achievable Foundation (the Organization) was incorporated on March 28, 1995 as a California not-for-profit corporation. The Organization was organized to support activities that enhance the lives of people with developmental disabilities and their families in west Los Angeles County.

The Organization operates the Achievable Health Center, which is a comprehensive community health center developed to provide a complete range of high quality, comprehensive and coordinated primary and specialty health care services, with a special emphasis on meeting the health care needs of people with developmental disabilities. The Achievable Health Center is designated as a Federally Qualified Health Center, Section 330 Grantee, with an annual base grant. The designation also allows for the billing of medical services on an enhanced cost-based methodology.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis. The following significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization are classified and reported as described below:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

THE ACHIEVABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE INFORMATION FOR 2021)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

Net Assets with Donor Restrictions – Net assets that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants), where the use of these contributions are limited by donor-imposed restrictions with some donor restrictions either temporary in nature that will be met either by actions or with the passage of time. Other donor restrictions are perpetual in nature, where the donor stipulates that the corpus be maintained intact in perpetuity. As the donor-imposed restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as satisfaction of program requirements. The Organization had no net assets that were perpetual in nature at June 30, 2022 and 2021.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported revenue and expenses. Significant items subject to such estimates include allowance for doubtful accounts and medical claims settlement. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Recently Adopted Accounting Standard

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the statement of activities, disaggregate the amount of contributed nonfinancial assets by category that depicts the type of nonfinancial assets, and provide additional information related to the monetization, utilization, and valuation of the contributed nonfinancial assets. The Organization adopted the standard during the year ended June 30, 2022. No reclassifications to prior-year amounts were necessary in order to adopt the new standard.

THE ACHIEVABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE INFORMATION FOR 2021)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Prior-Period Information

The financial statements include certain prior-period summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

At June 30, 2022 and 2021 and at various times during the fiscal years, the Organization maintained cash balances in a financial institution in excess of federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant related credit risk.

Patient Services and Receivables

The Organization recognizes revenue from services provided at the Achievable Health Center in the amount that reflects the consideration to which the Organization expects to be entitled for providing patient care. Performance obligations are determined based on the nature of the services provided, and generally include a single performance obligation. Revenue for performance obligations satisfied at a point in time is recognized when services are provided. The transaction price is based on standard charges for services provided to patients, reduced by applicable third-party payor contractual adjustments and discounts to underinsured and uninsured patients. The estimates of contractual adjustments and discounts are based on contractual agreements, discount policy, and historical collection experience. The process for estimating the ultimate collectability of patient accounts receivable involves historical collection experience, changes in contracts with payors, and significant assumptions and judgment.

THE ACHIEVABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE INFORMATION FOR 2021)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Patient Services and Receivables (Continued)

Patient receivables are stated at the amount management expects to collect from outstanding balances. Patient receivables are reduced by an allowance for doubtful accounts and charged against bad debt expense in the period in which the balance is deemed uncollectible. The Organization estimates this allowance based on historical collection and other relevant factors. As of June 30, 2022 and 2021, the Organization's allowance for doubtful accounts totaled \$56,000 and \$34,540, respectively.

Government Support and Receivables

A portion of the revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. Expenses incurred in excess of amounts received are reported as accounts receivable in the statement of financial position.

The Organization is the recipient of a Community Health Centers (CHC) - 330 Grant from the U.S. Department of Health and Human Services (the Granting Agency). The general purpose of the grant is to improve the health of the United States' underserved communities and vulnerable populations by assuring access to comprehensive, culturally competent, quality primary health care services. The terms of the grant generally provide for funding of the Organization's operations based on an approved budget. Grant revenue is recognized as qualifying expenditures are incurred over the grant period. During the years ended June 30, 2022 and 2021, the Organization recognized \$566,245 and \$595,984 in such grant funds, which represents 14% and 15% of total support and revenue, from the Granting Agency, respectively, which is included in government support on the statements of activities.

In addition to this grant, the Organization receives financial support from other federal, state, and private sources, funded through the U.S. Department of Health and Human Services. Generally, such support requires compliance with terms and conditions specified in grant agreements and must be renewed on an annual basis.

THE ACHIEVABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE INFORMATION FOR 2021)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Government Support and Receivables (Continued)

The Organization is party to conditional grants with grant terms through February 2023 and additional funding of approximately \$930,000 that has not yet been recognized at June 30, 2022 because certain performance obligations have not been met. Future funding will be determined by the granting agencies based on applications to be submitted by the Organization prior to expiration of the present grant budget periods.

A substantial portion of the Organization's patient services revenue is generated from services to Medicare and Medi-Cal beneficiaries. Medicare represents approximately 10% and 6% of the Organization's total patient services revenue for the years ended June 30, 2022 and 2021, respectively. Medi-Cal represents approximately 85% and 91% of the Organization's total patient services revenue for the years ended June 30, 2022 and 2021, respectively. The remaining revenue is generated from various forms of private insurance providers. At June 30, 2022 and 2021, total patient receivables from Medicare and Medi-Cal beneficiaries accounted for approximately 85% and 61%, respectively, of total patient receivables.

Contributions and Receivables

Contributions, including promises to give, are recognized as support in the period received or pledged. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported with donor restrictions support that increases the net asset class. When a donor's stipulated time restriction ends or purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as satisfaction of program requirements.

All contribution receivables are expected to be collected within one year. An allowance for uncollectible contribution receivables is provided, based on management's judgment. Management believes the outstanding contributions receivables as of June 30, 2022 are collectible in full and, accordingly, no allowance for uncollectible receivables has been provided.

THE ACHIEVABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE INFORMATION FOR 2021)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are carried at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from five to thirteen years. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the asset life or term of the lease. Maintenance and repairs, involving costs of minor replacements, are charged to operations as incurred.

Medical Claims Settlement

The Organization is required to submit cost rate reconciliations to certain third parties which could result in a refund for overpayments to the Organization. Management submitted cost rate reconciliations for the year ended June 30, 2020 and received notice of \$116,138 of overpayments resulting in refunds due to the Organization from third parties for prior fiscal years and was recognized in the fiscal year ended June 30, 2022 when the amount was determinable. As of June 30, 2022, management has conducted an analysis of patient services for the open years ended June 30, 2022 and 2021 and has estimated additional medical claims liability totaling approximately \$30,000, which is reported as a medical claims liability on the statement of financial position.

Deferred Rent Liability

The Organization leases office facilities under a lease agreement that is subject to scheduled rent increases. The scheduled rent increases are amortized evenly over the term of the lease. The deferred rent liability represents the difference between cash payments made and the amount expensed since the inception of the lease.

Special Events

Special events support is summarized as follows:

	Year Ending	
	June 30,	
	2022	2021
Event revenue	\$ 122,965	\$ 28,885
Event expenses	(48,048)	(4,524)
	\$ 74,917	\$ 24,361

THE ACHIEVABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE INFORMATION FOR 2021)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses affecting more than one area, such as salaries, payroll taxes, employee benefits, and general office expenses have been allocated to program services, general and administrative, and fundraising based upon resources utilized by employees or time spent by employees on program activities or administrative services.

Tax Status

The Organization has received tax-exempt status from the Internal Revenue Service and the Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code, respectively.

The Organization recognizes the financial statement benefit of tax positions, such as a filing status of tax-exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California purposes is generally three and four years, respectively.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Leases (Topic 840)*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The ASU is effective for annual reporting periods beginning after December 15, 2021 (effective for the Organization's fiscal year ended June 30, 2023). The Organization is currently evaluating the impact of the adoption of the new standard on the financial statements.

Subsequent Events

Management has evaluated subsequent events from the statement of financial position date through January 25, 2023, the date at which the financial statements were available to be issued.

THE ACHIEVABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE INFORMATION FOR 2021)

NOTE 3 – Liquidity and Availability

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date due to donor-imposed restrictions.

Financial assets:	
Cash and cash equivalents	\$ 2,366,905
Patient receivables, net	278,807
Government support receivables	14,847
Contribution receivables	<u>76,000</u>
	<u>2,736,599</u>
Less those unavailable for general expenditure within one year due to donor-imposed restrictions	<u>(64,320)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,672,239</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations comes due.

NOTE 4 – Property and Equipment

Property and equipment consists of the following:

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
Medical equipment	\$ 69,541	\$ 69,541
Furniture and fixtures	115,344	69,093
Computer equipment	70,582	72,792
Leasehold improvements	<u>244,179</u>	<u>244,179</u>
	499,646	455,605
Less accumulated depreciation and amortization	<u>(365,772)</u>	<u>(322,393)</u>
	<u>\$ 133,874</u>	<u>\$ 133,212</u>

Depreciation and amortization expense for the years ended June 30, 2022 and 2021 totaled \$43,379 and \$45,660, respectively.

THE ACHIEVABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE INFORMATION FOR 2021)

NOTE 5 – Economic Injury Disaster Loan

In July 2020, the Organization received an Economic Injury Disaster Loan (EIDL) under the Small Business Administration’s (SBA) assistance program in light of the impact of the COVID-19 pandemic. Pursuant to the EIDL Agreement, the Organization received a loan of \$150,000, to be used for working capital purposes only. Pursuant to the EIDL Agreement, the Organization executed; (i) a note for the benefit of the SBA, which contains customary events of default; and (ii) a Security Agreement, granting the SBA a security interest in all tangible and intangible personal property of the Organization, which also contains customary events of default. The EIDL bears an interest rate of 2.75% per annum which accrues from the date of the advance. The balance of principal and interest is payable thirty years from the date of the EIDL Agreement. Installment payments of \$641, including principal and interest, are due monthly beginning December 2022.

Future maturities of the EIDL are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 4,372
2024	4,302
2025	4,308
2026	4,111
Thereafter	<u>132,907</u>
	<u>\$ 150,000</u>

NOTE 6 – Note Payable

In June 2020, the Organization entered into a promissory note totaling \$500,000 with a financial institution. Beginning August 2020, the Organization started making interest-only payments, at a rate of 3.175%, through January 2021. In February 2021, the Organization began monthly principal and interest payments totaling \$9,023. The note matures in January 2026. As of June 30, 2022, the balance outstanding totaled \$366,392.

THE ACHIEVABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE INFORMATION FOR 2021)

NOTE 6 – Note Payable (Continued)

Future maturities of the note payable are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 98,069
2024	101,228
2025	104,489
2026	<u>62,606</u>
	<u>\$ 366,392</u>

Interest expense for the year ended June 30, 2022 and 2021 was \$13,504 and \$13,286, respectively.

NOTE 7 – Net Assets With Donor Restrictions

Net assets with donor restrictions restricted for a specific purpose and time are as follows:

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
Specialized health center programs	\$ 63,150	\$ 69,120
Health center special projects	<u>1,170</u>	<u>21,995</u>
	<u>\$ 64,320</u>	<u>\$ 91,115</u>

Net assets of \$193,620 and \$286,580 were released from donor restrictions through the satisfaction of program requirements and time during the years ended June 30, 2022 and 2021, respectively.

THE ACHIEVABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE INFORMATION FOR 2021)

NOTE 8 – Commitments and Contingencies

The Organization has various leases for medical office space and administrative office space which expire on various dates through September 2029.

Future minimum lease commitments are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 356,170
2024	366,855
2025	377,861
2026	356,285
2027	202,411
Thereafter	<u>459,185</u>
	<u>\$ 2,118,767</u>

Rent expense for the years ended June 30, 2022 and 2021 totaled \$250,384 and \$209,675, respectively.

The Organization entered into a one-year agreement to sublet office space to a non-related third party which expired in January 2021 and was not renewed. For the year ended June 30, 2021, the Organization received rental payments of \$23,466, which is netted with rent and maintenance expense on the statement of functional expenses.

Legal Matters

The Organization may be involved in various claims and litigation arising in the normal conduct of its operations. The Organization’s management believes it has adequate defenses and insurance coverage for these actions, and thus has made no provision in the financial statements for any costs relating to the settlement of such claims.

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NOTE 9 – Employee Retirement Plan

The Organization provides a 403(b) retirement savings plan for all employees who meet certain eligibility requirements. The retirement plan provides for discretionary matching and non-elective contributions for eligible employees in an amount determined annually by the Board of Directors. The Organization made contributions of approximately \$4,000 and \$5,000 for the years ended June 30, 2022 and 2021, respectively.