

BLOOM360 LEARNING COMMUNITY, INC.

EAST TROY, WISCONSIN

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2025

BLOOM360 LEARNING COMMUNITY, INC.
EAST TROY, WISCONSIN

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Chamberlain | Otte

CERTIFIED PUBLIC ACCOUNTANTS, LLP

Independent Auditor's Report

To Management and Board of Directors
Bloom360 Learning Community, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bloom360 Learning Community, Inc., which comprise the statement of financial position as of June 30, 2025, 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 accompanying financial statements present fairly, in all material respects, the financial position of Bloom360 Learning Community, Inc. as of June 30, 2025, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bloom360 Learning Community, Inc. 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 Bloom360 Learning Community, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 Bloom360 Learning Community, Inc.'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 Bloom360 Learning Community, Inc.'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.

Chamberlain | Otte, CPAs, LLP

CHAMBERLAIN | OTTE, CPAs, LLP
Lake Geneva, WI

September 19, 2025

FINANCIAL STATEMENTS

BLOOM360 LEARNING COMMUNITY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2025

ASSETS		
Current Assets		
Cash and Cash Equivalents	\$	109,572
Accounts Receivable		<u>78,130</u>
	Total Current Assets	<u>187,702</u>
Fixed Assets		
Property and Equipment, Net of Accumulated Depreciation of \$30,971		135,722
Right of Use Asset		<u>33,241</u>
	TOTAL ASSETS	<u><u>\$ 356,665</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payroll Liabilities	\$	2,893
Deferred Revenue		152,000
Prepaid Tuition		27,034
Current Portion of Operating Lease Liability		<u>10,505</u>
	TOTAL CURRENT LIABILITIES	192,432
LONG TERM LIABILITIES		
Lease Liability		<u>32,705</u>
	TOTAL LIABILITIES	<u>225,137</u>
NET ASSETS		
Without Donor Restrictions:		
Board Designated		93,350
Unrestricted and Undesignated		<u>38,178</u>
	TOTAL NET ASSETS	<u>131,528</u>
	TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 356,665</u></u>

BLOOM360 LEARNING COMMUNITY, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

WITHOUT DONOR RESTRICTION

SUPPORT AND REVENUE

Support:

Donations and Grants	\$ 347,974
Miscellaneous Income	80,360
Fundraising Income	<u>77,067</u>

TOTAL SUPPORT 505,401

Revenue:

Program income	<u>236,996</u>
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TOTAL SUPPORT, REVENUE, AND RECLASSIFICATIONS 742,397

EXPENSES

Program expenses	570,988
General supporting expenses	86,010
Fundraising expenses	<u>48,320</u>

TOTAL EXPENSES 705,318

INCREASE (DECREASE) IN NET ASSETS 37,079

NET ASSETS AT BEGINNING OF YEAR 94,449

NET ASSETS AT END OF YEAR \$ 131,528

BLOOM360 LEARNING COMMUNITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Wages	\$ 310,774	\$ 59,646	\$ 16,797	\$ 387,217
Payroll taxes	23,046	3,837	1,285	28,168
Employee Benefits	<u>11,606</u>	<u>352</u>	<u>1,034</u>	<u>12,992</u>
 Total wages and related expenses	 <u>345,426</u>	 <u>63,835</u>	 <u>19,116</u>	 <u>428,377</u>
 Donated Services	 128,916	 7,325	 10,255	 146,496
Occupancy	23,939	1,360	1,904	27,203
Information Technology	21,431	1,218	1,705	24,354
Legal and Professional Fees	7,232	9,373	5,908	22,513
Depreciation	13,362	759	1,063	15,184
Insurance	11,088	502	703	12,293
Education Program Expenses	9,327	-	-	9,327
Fundraising	-	-	6,839	6,839
Office Expenses	3,593	893	283	4,769
Auto and Travel	4,433	3	4	4,440
Advertising and Marketing	2,161	-	540	2,701
Community Workshop	-	742	-	742
Licenses and Permits	<u>80</u>	<u>-</u>	<u>-</u>	<u>80</u>
 Total expenses	 <u>\$ 570,988</u>	 <u>\$ 86,010</u>	 <u>\$ 48,320</u>	 <u>\$ 705,318</u>

See Accompanying Notes to Financial Statements

BLOOM360 LEARNING COMMUNITY, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase (Decrease) in Net Assets	\$ 37,079
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	15,184
(Increase) Decrease in Operating Assets	
Accounts Receivable	(73,772)
Prepays	5,942
Amortization of Right of Use Asset	9,969
Non-cash - Conversion of note to donation	(67,000)
Increase (Decrease) in Operating Liabilities	
Prepaid Tuition	(4,319)
Payroll Liabilities	(471)
Deferred Revenue	<u>151,000</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>73,612</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital Asset Purchases	<u>(13,780)</u>
 NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	 <u>(13,780)</u>
 NET INCREASE (DECREASE) BY CASH AND CASH EQUIVALENTS	 59,832
 BEGINNING CASH AND CASH EQUIVALENTS	 <u>49,740</u>
 ENDING CASH AND CASH EQUIVALENTS	 <u>\$ 109,572</u>

Noncash transactions:

The following is a summary of non-cash transactions:

Note payable converted to donation	\$ 67,000
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NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION

Bloom360 Learning Community, Inc. was organized in 2015 as a nonprofit organization in the State of Wisconsin. The organization provides four programs for neurodivergent youth (ages 5-21) and adults. Bloom360's unique approach focuses on whole-person development for neurodivergent learners and their caregivers. This includes a focus on each person's needs for social, emotional, body, spirit (purpose) and mind.

The Bloom360 staff includes special educators, occupational therapists, a music therapist, a social worker, a marketer/fundraiser, and administrative support from a parent of a neurodivergent Learner.

Bloom360 is one of only a few schools in the country that uses the DIR/Floortime framework as the foundation of its model. This is different from Applied Behavior Analysis (ABA) programs that try to "fix" a behavior to a desired outcome. Bloom360 sees behavior as communication. The organization focuses on understanding the behavior at the root and supporting the individual's needs which supports intrinsic and sustainable growth.

Project-based learning (PBL) is the primary curriculum. PBL supports Learners in developing creativity, critical thinking, problem solving, communication and collaboration skills. The social-emotional focus centers on supporting Learner's growth in their self-regulation, decision making, self-awareness, leadership, perspective taking, life skills and more.

Bloom360 prioritizes:

- Developing trusting relationships where Learners feel safe.
- Customizing a learning plan for each Learner that supports social and emotional growth.
- Integrating sensory processing and movement throughout the day, whenever needed.
- Using interest-driven projects as the main curriculum.
- Pacing that works for the Learner.

Day School

Bloom360 Day School Learners (ages 5-21) reside throughout southeastern Wisconsin. Families are drawn to the innovative educational approach that is at the forefront of redefining special education. Bloom360 serves as the school of record for the Learners who each have a custom Developmental Learning Plan with social-emotional and academic goals. Learners can earn a high school diploma.

BizPath

BizPath is a three-year program that supports neurodivergent young adults in exploring meaningful work, volunteering, and entrepreneurship through hands-on microbusinesses. Participants build life skills, confidence, and independence with a whole-person, project-based approach. Outcomes are clear: each participant leaves with real skills, hands-on experiences, and a personal portfolio highlighting strengths, interests, and next steps.

NOTE 1 – NATURE OF ORGANIZATION, continued

Roots Program

The Roots Program is for neurodivergent Learners to supplement their homeschool program or for those who have finished their K-12 educational requirements. Roots Program participants fully participate in the Bloom360 Learning Community with a flexible, part time schedule, and reduced tuition as Bloom360 is not needed as their school of record. The goal of the Roots Program is to help Learners grow in a safe and trusted sensory-friendly learning environment.

Community Learning Lab

Bloom360's multi-disciplinary team offers life changing workshops for parents, caregivers, educators, and professionals who work with neurodivergent children and adults. The workshops teach how neurodivergent individuals process sensory information, how that impacts behavior and strategies to help navigate times of big emotions, big behaviors and high stress. In the workshop participants:

- Learn that behavior is communication.
- Understand sensory processing which leads to a deeper connection with the neurodivergent individual.
- Gain strategies/tools that honor the neurodivergent individual's differences.
- Gain clear strategies to prevent and de-escalate emotional and behavioral reactions.
- Learn sensory-friendly techniques that support cooperation and reduce stress.
- Learn how to support the neurodivergent individual and themselves during and after times of big emotions/behaviors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Public Support and Revenue

Contributions are generally available for unrestricted use in the current year unless specifically restricted by the donor. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Income Taxes

The Organization is a non-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Unrelated business income is taxable by both the Federal and State governments. For the current year, the organization did not have any unrelated business taxable income.

Accounting for Uncertainty in Income Taxes

The Organization has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. The Organization's policy is to evaluate, at least annually, the potential for income tax exposure. Any exposure from such positions is recorded based on the largest cost that has a greater than 50% likelihood of being incurred upon ultimate settlement. The adoption of ASC 740-10 did not have a material effect on its financial position, results of operations or cash flows. The Organization is no longer subject to examination by federal income tax authorities for periods before 2021 and state income tax authorities for periods before 2020.

Net Assets

Net assets have been recorded and reported as changes in net assets without donor restriction.

Without donor restriction – Unrestricted net assets consist of resources that are available for use in carrying out the mission of the Organization and include those expendable resources that have been designated for special purpose by the Board.

Contributed Services, Materials, and Facilities

Contributed services, materials and/or facilities are recognized at fair market value if the services, materials and/or facilities received (1) create or enhance long lived assets or (2) require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation.

Functional Expense Statement

The costs of providing various program and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property and Equipment

The Organization capitalizes all asset acquisitions over \$2,500 per unit cost and a useful life over one year. Depreciation is provided, using the straight-line method over the estimated useful life of the related asset. The following useful lives are used in determining depreciation:

	<u>Estimated Useful Life</u>
Building and improvements	15-39 years
Furniture and Equipment	5-7 years
Automobiles	5 years

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned. Deposits in each bank are insured by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investors Protection Corporation (SIPC) up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts) and demand deposit accounts.

At year-end, the carrying amount of the Organization's deposits was \$109,572 and the bank balance was \$112,664. All of the bank balance was covered by FDIC and SIPC.

NOTE 4 — DONATED SERVICES AND MATERIALS

The Organization receives a significant amount of donated services from Vista360, LLC, an independent consulting firm, which assists in conducting the services offered. The amount recognized for these services in the statement of activities was \$146,496.

NOTE 5 – RETIREMENT PLAN

The employees of the Organization are eligible to participate in a Simple IRA plan. The Organization matches up to 3%. Employees are able to contribute amounts in addition to the 3% contributed by the Organization. The total employer contribution for the year was \$7,274.

NOTE 6 – PROPERTY AND EQUIPMENT

At June 30, 2025, the cost and accumulated depreciation of property and equipment was:

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Building Equipment	\$3,560	\$ --	\$ --	\$3,560
Security Cameras	2,695	--	--	2,695
Sensory Equipment	7,935	--	--	7,935
Van	12,578	--	--	12,578
Playground Equipment	16,324	--	--	16,324
Outdoor Swings	--	13,780	--	13,780
Roof Replacement	109,821	--	--	109,821
Total Property and Equipment	152,913	13,780	--	166,693
Less: Accumulated Depreciation	(15,787)	(15,184)	--	(30,971)
Net Property and Equipment	\$137,126	(\$1,404)	--	\$135,722

Depreciation expense was \$15,184 for the year ended June 30, 2025.

NOTE 7 – RELATED PARTY

The President of the Organization is also an owner of Vista360, LLC, which is a major donor to the Organization. Vista360, LLC donated \$76,842 to the Organization for the year ended June 30, 2025.

As of June 30, 2025, the Organization had received an interest free note in the prior year, unsecured, in the amount of \$67,000 from the President of the Organization. This was used to fund the roof replacement. A grant had been applied for and if received the money was to be used to pay back the note. The grant was not received so the note was reclassified as a donation.

The Organization has a lease agreement for the building in which it conducts its operations. The lease agreement is with JLR Ventures, LLC. The president of the Organization is a member of JLR Ventures, LLC. The lease agreement is discussed in further detail in Note 8.

NOTE 8 – OPERATING LEASE

The Organization leased a building for its operations under an operating lease agreement. Payments under the lease agreement are expensed as incurred. Total expense for the building lease during the year was \$9,463. The lease agreement has no definite term, so the Organization estimated the term as 120 months. Monthly payments are \$1,000. The organization’s right of use asset related to the lease had a balance of \$33,241 at year end.

At June 30, 2025, the weighted average remaining lease term was 3 years and the weighted average discount rate was 5.25%.

Future minimum lease payments under the operating lease are as follows:

<u>Fiscal Year Ending June 30,</u>	
2026	\$24,000
2027	12,000
2028	<u>12,000</u>
Total Remaining Lease Payments	48,000
Less: Future Interest Expense	<u>(4,790)</u>
Lease Liability	<u><u>\$43,210</u></u>

NOTE 9 – DESIGNATED NET ASSETS

The Board of Directors has designated certain unrestricted net assets for scholarships, programs, and equipment. The balance of designated net assets as of June 30, 2025 was \$93,350.

NOTE 10 – INSURANCE RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Organization carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 11 – DATE OF MANAGEMENT’S REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 19, 2025, the date that the financial statements were available to be issued.