Learn Fresh Education Co.

Financial Statements

December 31, 2020

Kevin P. Martin & Associates, P.C

LEARN FRESH EDUCATION CO.

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December 31, 2020

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Kevin P. Martin & Associates, P.C.
ASSURANCE | TAX | RISK MANAGEMENT | IT ADVISORY

Independent Auditors' Report

To the Board of Directors of
Learn Fresh Education Co.

We have audited the accompanying financial statements of Learn Fresh Education Co. (a nonprofit organization), (the Agency), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2020, 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.

Emphasis of Matter

As discussed in Note 1(m) to the financial statements, the Agency has adopted ASU No. 2014-09, *Revenue from Contracts with Customers* and ASU 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. Our opinion is not modified with respect to these matters.

Report on Summarized Comparative Information

We have previously audited the Agency's 2019 financial statements, and we expressed a qualified audit opinion on those audited financial statements in our report dated January 27, 2021 as we did not observe the taking of the physical inventories at December 31, 2019. The prior year summarized comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Danvers, Massachusetts
October 1, 2021

LEARN FRESH EDUCATION CO.

Statement of Financial Position

As of December 31, 2020 with Comparative totals as of December 31, 2019

Current Assets	2020	2019
Cash and cash equivalents	$ 45,181	$ 155,993
Grants receivable, net	414,500	100,000
Inventory	317,498	518,755
Total current assets	777,179	774,748
Fixed Assets		
Software	435,243	-
Computer equipment	16,828	10,405
Total fixed assets	452,071	10,405
Less: accumulated depreciation	(56,301)	(10,405)
Total net fixed assets	395,770	-
Other Assets		
Grants receivable, long-term	-	95,243
Total other assets	-	95,243
Total Assets	$ 1,172,949	$ 869,991

Current Liabilities	2020	2019
Accounts payable	$ 83,986	$ 75,622
Grants payable	150,000	-
Note payable - PPP	100,000	-
Accrued expenses	5,825	100,000
Line of credit	-	75,000
Total current liabilities	339,811	250,622
Total liabilities	339,811	250,622
Net Assets		
Net assets without donor restrictions	419,388	199,126
Net assets with donor restrictions	413,750	420,243
Total net assets	833,138	619,369
Total Liabilities and Net Assets	$ 1,172,949	$ 869,991

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

LEARN FRESH EDUCATION CO.

Statement of Activities

For the Year Ended December 31, 2020 with Comparative totals for the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Revenue and Support				
Contributions	$ 1,650,926	$ 213,750	$ 1,864,676	$ 1,544,860
In-kind contributions	541,804	-	541,804	669,943
Cost of goods sold	(235,117)	-	(235,117)	(146,539)
Program service fees	-	-	-	7,976
Net assets released from restrictions	220,243	(220,243)	-	-
Total revenue and support	2,177,856	(6,493)	2,171,363	2,076,240
Expenses				
Administration	151,422	-	151,422	164,690
Fundraising	98,413	-	98,413	123,229
Program services	1,707,759	-	1,707,759	1,444,746
Total expenses	1,957,594	-	1,957,594	1,732,665
Total Change in Net Assets	220,262	(6,493)	213,769	343,575
Net Assets at Beginning of Year	199,126	420,243	619,369	275,794
Net Assets at End of Year	$ 419,388	$ 413,750	$ 833,138	$ 619,369

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

LEARN FRESH EDUCATION CO.

Statement of Functional Expenses

For the Year Ended December 31, 2020 with Comparative totals for the Year Ended December 31, 2019

	Administration	Fundraising	Program Services	2020 Total	2019 Total
Functional Expenses					
Salary and related expenses	$ 128,301	$ 21,910	$ 414,258	$ 564,469	$ 504,784
Licenses and images	-	-	555,000	555,000	296,686
Subcontractors	-	29,112	156,907	186,019	60,924
Cost of goods sold - inventory	-	-	235,117	235,117	146,539
Grant expense	-	-	150,000	150,000	320,000
Shipping	685	90	147,432	148,207	92,822
Travel	7,584	3,759	53,054	64,397	196,153
Education and materials	275	-	63,959	64,234	2,745
Stationery and printing	96	188	44,710	44,994	21,725
Office expense	1,778	18,012	19,455	39,245	18,783
Depreciation and amortization	-	1,070	44,826	45,896	-
Website hosting and services	4,989	830	15,532	21,351	41,544
Interest expense	-	14,921	-	14,921	14,265
Events	-	-	14,872	14,872	31,849
Dues and subscriptions	6,498	328	7,595	14,421	10,262
Inventory - writeoffs	-	-	7,945	7,945	67,554
Facilities	1,216	3,421	2,716	7,353	3,704
Insurance	-	4,772	-	4,772	5,778
Site events	-	-	4,354	4,354	35,010
Advertising	-	-	4,165	4,165	-
Incentives	-	-	979	979	8,077
Total Functional Expenses	151,422	98,413	1,942,876	2,192,711	1,879,204
Less: cost of goods sold - inventory	-	-	(235,117)	(235,117)	(146,539)
Total expenses reported on the Statement of Activities	$ 151,422	$ 98,413	$ 1,707,759	$ 1,957,594	$ 1,732,665

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

LEARN FRESH EDUCATION CO.

Statement of Cash Flows

For the Year Ended December 31, 2020 with Comparative totals for the Year Ended December 31, 2019

Cash Flows from Operating Activities	2020	2019
Total Change in Net Assets	$ 213,769	$ 343,575
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	45,896	-
Decrease (increase) in assets		
Grants receivable	(219,257)	(150,243)
Inventory	201,257	(204,164)
Increase in liabilities		
Accounts payable	8,364	39,797
Grants payable	150,000	-
Accrued expenses	(94,175)	50,000
Net Cash Provided by Operating Activities	305,854	78,965
Cash Flows from Investing Activities		
Purchase of fixed assets	(441,666)	-
Net Cash (Used in) Provided by Investing Activities	(441,666)	-
Cash Flows from Financing Activities		
Proceeds from note payable - PPP	100,000	-
(Payments) advances on line of credit	(75,000)	75,000
Net Cash Provided by Financing Activities	25,000	75,000
Net (Decrease) Increase in Cash and Cash Equivalents	(110,812)	153,965
Cash and Cash Equivalents - Beginning	155,993	2,028
Cash and Cash Equivalents - Ending	$ 45,181	$ 155,993

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

(1) Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The significant accounting policies followed by Learn Fresh Education Co. (the Agency) are described below to enhance the usefulness of the financial statements to the reader.

(a) Nature of Activities

The Agency envisions a world in which students find learning so engaging that they want to do it all the time. Through community, play, and rigorous exploration, the Agency focuses to leverage students' passion for sports and entertainment to inspire their STEM and social-emotional learning. The Agency's programs are explicitly focused on achieving equitable representation across the STEM pipeline for girls, students of color, and those living in low-income communities. Through their core values of aspiration, community, grit, innovation and integrity, the Agency aims to empower educators and inspire students.

(b) Basis of Presentation

The statement of activities reports all changes in net assets, including changes in net assets without donor restrictions from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Agency's ongoing efforts.

(c) Standards of Accounting and Reporting

The Agency's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Agency are presented as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Net Assets With Donor Restrictions - Net assets that are subject to donor imposed stipulations that may or will be met, either by actions of the Agency and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions are recognized.

(1) Summary of Significant Accounting Policies - continued

(d) Cash and Cash Equivalents

The Agency considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents.

The Agency maintains its cash balances at financial institutions located in Ohio and New York. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Agency has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2020.

(e) Revenue Recognition

The Agency earns revenue as follows:

The Agency generally measures revenue based on the amounts of consideration it expects to be entitled for the transfers of goods and services to a customer, then recognizes its revenue as performance obligations are satisfied under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Agency evaluates its revenue contracts with customers based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Contributions - In accordance with ASC Sub Topic 958-605, *Revenue Recognition*, the Agency must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Agency should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Contributions without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse.

(1) Summary of Significant Accounting Policies - continued

(e) Revenue Recognition - continued

Grants - The Agency receives funding from various grantors for direct and indirect program costs associated with specific programs and projects. Various grants are subject to certain barriers as outlined in the agreement. Revenue is recognized as the barrier is met. For unconditional grants, revenue is recognized as contribution revenue that increases net assets with donor restrictions at the time the grant is received or pledged and the funds are released from restriction when the restriction has been met. Grants with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Donated Services and Materials - Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Agency. Both donated services and materials are recorded at fair value at the date the services are provided or the materials are received. Donated material are comprised mainly of inventory items. The Agency charges cost of goods sold, as the inventory items are provided to program beneficiaries.

Program Service Fees - Program service fee revenue is earned and recognized by the Agency when units or services are provided and performance obligations have been met.

Substantially all of the Agency's revenue is derived from its activities in Colorado. During the year ended December 31, 2020, the Agency derived approximately 57% of its total revenue from foundations and individual donors and 43% from donated materials and services. All revenue is recorded at the estimated net realizable amounts that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

(f) Grants receivable

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises. As of December 31, 2020, management has determined any allowance would be immaterial

(1) Summary of Significant Accounting Policies - continued

(g) Inventory

The Agency's inventory consist primarily of items that have been donated to the Agency for program use. The Agency's inventory items will be provided to program beneficiaries without charge. Accordingly, inventory is reported at fair value at the date of donation. Slow moving inventory items are reviewed for obsolescence on a periodic basis, resulting in write-downs of inventory.

(h) Capitalization and Depreciation

Fixed assets are recorded at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Agency computes depreciation using the straight-line method over the following estimated lives:

Computer equipment	3 years
Software	7 years

(i) Fair Value Measurements

GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels used to measure fair value are as follows:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant inputs to the valuation model are unobservable.

(1) Summary of Significant Accounting Policies - continued

(i) Fair Value Measurements - continued

Recurring Fair Value Measurements

In accordance with U.S. GAAP, certain assets and liabilities are required to be recorded at fair value on a recurring basis. The Agency's assets that are adjusted to fair value on a recurring basis are described below. The Agency currently has no liabilities that are adjusted to fair value on a recurring basis.

The following section(s) describe the valuation methodologies used to measure assets financial assets and liabilities at fair value on a recurring basis.

Inventory: Donated inventory items are valued using a historical cost, a Level 2 input.

Grants receivable: Grants receivable are discounted using risk-adjusted interest rates, a Level 2 input, applicable to the years in which the receivable was recorded, (see Note 2).

The following tables summarize assets measured at fair value on a recurring basis as of December 31, 2020.

	Level 1	Level 2	Level 3	Total
Inventory – current year additions	$ -	$ 41,804	$ -	$ 41,804
Promises to give - current year additions	-	100,000	-	100,000
	$ -	$ 141,804	$ -	$ 141,804

Nonrecurring Fair Value Measurements

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Agency records assets and liabilities at fair value on a nonrecurring basis as required by U.S. GAAP. The Agency currently has no assets or liabilities that are adjusted to fair value on a nonrecurring basis.

(j) Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Agency.

Payroll and associated costs are allocated to functions based upon time studies.

(1) Summary of Significant Accounting Policies - continued

(k) Use of Estimates

In preparing the Agency's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(l) Income Taxes

The Agency qualifies as an Agency formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally not subject to income tax. However, income from certain activities not directly related to the Agency's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Agency is not a private foundation under Section 509(a)(1) of the IRC.

(m) Recent Accounting Standard Adopted

On January 1, 2020, the Agency adopted ASU 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, ASC 606). ASC 606 supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, and requires the reporting entity to recognize revenues when control of promised goods or services is transferred to customers and at an amount that reflects the consideration to which the Agency expects to be entitled in exchange for those goods or services. On January 1, 2020, the Agency adopted ASC 606 using the modified retrospective method applied to those contracts which were not competed as of January 1, 2020 (the practical expedient elected). Results for reporting periods beginning after January 1, 2020, are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with the Agency's historic accounting under ASC 605.

There were no material changes in the timing of recognition of revenue and, therefore, there were no adjustments to the opening balance of net assets without donor restrictions. The Agency does not expect the adoption of the new revenue standard to have a significant impact on its changes in net assets on an ongoing basis.

On January 1, 2020, the Agency adopted ASU 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this update removed the following disclosure requirements from Topic 820: (1) the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, (2) the policy for timing of transfers between levels, (3) the valuation processes for Level 3 fair value measurements and (4) the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the reporting period.

(1) Summary of Significant Accounting Policies - continued

(m) Recent Accounting Standard Adopted - continued

The following disclosure requirements were modified in Topic 820: (1) in lieu of a roll forward for Level 3 fair value measurements, a nonpublic entity is required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities, (2) for investments in certain entities that calculate net asset value, an entity is required to disclose the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse only if the investee has communicated the timing to the entity or announced the timing publicly and (3) the amendments clarity that the measurement uncertainty disclosure is to communicate information about the uncertainty in measurement as of the reporting date.

(n) Recent Accounting Standards

In June 2020, FASB issued ASU 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842). ASU 2020-05 deferred the implementation date of ASU 2016-02 and ASU 2014-09 by one year. As described above, the Agency chose to adopt ASU 2014-09 in the current year. ASU 2016-02 is described below.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today.

The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU was set to be effective on January 1, 2021, with early adoption permitted. The effective date was extended to fiscal years beginning after December 15, 2021. The Agency is currently evaluating the impact the adoption of this new standard will have on its financial statements.

(1) Summary of Significant Accounting Policies - continued

(o) Paycheck Protection Program Loan

As described at Note 4, the Agency received a Paycheck Protection Program (PPP) loan during the year ended December 31, 2020. The Agency has elected to follow the guidance regarding Debt found in FASB ASC 470 - *Not-for Profit Entities - Debt* to account for its PPP Loan.

(2) Grants Receivable

Promises to give consist of the following as of December 31, 2020:

	Gross Promise	Allowance	Net Promise	Unamortized Discount	Total
Receivable less than 1 year	$ 414,500	$ -	$ 414,500	$ -	$ 414,500
Receivable in 1 to 5 years	-	-	-	-	-
Receivable more than 5 years	-	-	-	-	-
	$ 414,500	$ -	$ 414,500	$ -	$ 414,500

The applicable discount rate is immaterial.

As of December 31, 2020, 100% of the grants receivable balance was due from two foundations.

(3) Line of Credit

The Agency has available a demand line of credit with Signature Bank of $150,000 to be drawn upon as needed, with interest at the prime rate, which was 5.5% as of December 31, 2020. The line is secured by the Agency's assets. Borrowings outstanding amounted to zero as of December 31, 2020.

(4) Payroll Protection Program Loan

The Agency received a PPP loan from Signature Bank during the year ended December 31, 2020 in the original amount of $100,000 with a maturity date of April 28, 2022. The loan bears interest at a rate of 1%, which is deferred for the first six months. Management expects that the loan will be substantially forgiven during the year ended December 31, 2021 and in accordance with standard industry practice, the loan has been presented as a current liability on the statement of financial position. The Small Business Administration has disclosed criteria for forgiveness which includes, but is not limited to, maintaining the full-time equivalent number of employees over a certain time period and expending the funds on eligible expenses over the covered period. The loan was forgiven subsequent to year end, (see Note 10).

(5) Gifts in Kind

Gifts in kind for the year ended December 31, 2020 were as follows:

Gifts in kind:		
Inventory	$	41,804
Licensing fees		500,000
Total	$	541,804

(6) Net Assets

(a) Net Assets With Donor Restrictions

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors.

As of December 31, 2020, net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for a specified purpose:		
Math Hoops Program	$	113,750
Subject to the passage of time:		
For periods after December 31, 2020		300,000
Total net assets with donor restrictions	$	413,750

Net assets released from restrictions during the year ended December 31, 2020 were $220,243, $100,000 was from time restrictions and the remainder was from program restrictions.

(b) Net Assets Without Donor Restrictions

The Agency's net assets without donor restrictions are comprised of undesignated amounts.

(7) Liquidity and Availability of Resources

The following reflects the Agency's financial assets as of December 31, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date.

Financial assets at year end		
Cash and cash equivalents	$	45,181
Grants receivable		414,500
Total		459,681
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors for specific purposes		(113,750)
Total		(113,750)
Financial assets available to meet cash needs for general expenditures within one year	$	345,931

The Agency is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Agency must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Agency's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Agency also could draw upon its available line of credit (as further discussed in Note 3).

(8) Commitments

GSP Publishing (GSP) owns the intellectual rights to Math Hoops, which is used by the Agency. GSP made a claim against the Agency which was settled by both parties during 2020.

In connection with the above, the Agency entered in to a licensing agreement with GSP which is effective January 1, 2019. Per the agreement, royalty fees future payments are as follows:

Financial assets at year end		
2021	$	70,000
2022		80,000
Total	$	150,000

The Agency is carrying a credit card balance of $81,134 as of December 31, 2020. Interest is at 20.99% and the maximum credit limit is $81,880. The Agency's charges were in excess of the maximum credit limit as of December 31, 2020.

The Agency leases office space in Denver, CO pursuant to a tenant-at-will agreement. Rent expense for the year ended December 31, 2020 was $3,675.

(9) COVID-19- Risk and Uncertainties

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. The Agency is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effects on the Agency's operations continue for an extended period of time the Agency may have to seek alternative measures to finance its operations. The Agency does not believe that the impact of COVID-19 would have a material adverse effect on its financial condition or liquidity.

(10) Subsequent Events

The Agency has performed an evaluation of subsequent events through October 1, 2021, which is the date the Agency's financial statements were available to be issued. No material subsequent events, other than the items disclosed below, have occurred since December 31, 2020 that required recognition or disclosure in these financial statements.

The Agency has applied for, and received, forgiveness of all principal and interest on the PPP loan in 2021. The Agency received notification on January 6, 2021 from the SBA that the entire amount of principal ($100,000) and accrued interest ($674) would be forgiven.