Learn Fresh Education Co.

Financial Statements
and Independent Auditor's Report

December 31, 2021

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LEARN FRESH EDUCATION CO.

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December 31, 2021

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Independent Auditor's Report

To the Board of Directors of
Learn Fresh Education Co.

Opinion

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, 2021, 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 the Agency as of December 31, 2021, 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 the Agency 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.

Other Matter

The financial statements of the Agency for the year ended December 31, 2020 were audited by another auditor whose report dated October 1, 2021, included an emphasis-of-matter indicating that the Agency has adopted ASU No. 2014-09, *Revenue from Contracts with Customers* and ASU No. 2018-13, and *Fair Value Measurement (Topic 820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*, and expressed an unmodified opinion on those statements.

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, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management 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, 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 Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 the Agency'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 Agency'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.

CohnReznick LLP

Braintree, Massachusetts
November 14, 2022

LEARN FRESH EDUCATION CO.

Statement of Financial Position

As of December 31, 2021 with Comparative Totals as of December 31, 2020

	2021	2020
Current Assets		
Cash and cash equivalents	$ 324,590	$ 45,181
Promises to give, current	2,190,000	414,500
Prepaid expenses	4,482	-
Inventory	404,481	317,498
Total current assets	2,923,553	777,179
Fixed Assets		
Software	769,593	435,243
Computer equipment	25,088	16,828
Total fixed assets	794,681	452,071
Less: accumulated depreciation	(141,935)	(56,301)
Total net fixed assets	652,746	395,770
Other Assets		
Promises to give, long-term, net	464,129	-
Total other assets	464,129	-
Total Assets	$ 4,040,428	$ 1,172,949

	2021	2020
Current Liabilities		
Accounts payable	$ 15,625	$ 83,986
Grants payable	-	150,000
Note payable - PPP	-	100,000
Accrued expenses	-	5,825
Line of credit	75,000	-
Total current liabilities	90,625	339,811
Total liabilities	90,625	339,811
Net Assets		
Net assets without donor restrictions	1,076,803	419,388
Net assets with donor restrictions	2,873,000	413,750
Total net assets	3,949,803	833,138
Total Liabilities and Net Assets	$ 4,040,428	$ 1,172,949

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

LEARN FRESH EDUCATION CO.

Statement of Activities

For the Year Ended December 31, 2021 with Comparative Totals for the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenue and Support				
Contributions	$ 1,694,794	$ 2,838,000	$ 4,532,794	$ 1,864,676
In-kind contributions	1,205,619	-	1,205,619	541,804
Net assets released from restrictions	378,750	(378,750)	-	-
Total revenue and support	3,279,163	2,459,250	5,738,413	2,406,480
Expenses				
Administration	165,024	-	165,024	151,422
Fundraising	152,774	-	152,774	98,413
Program services	2,403,950	-	2,403,950	1,942,876
Total expenses	2,721,748	-	2,721,748	2,192,711
Change in Net Assets from Operations	557,415	2,459,250	3,016,665	213,769
Non-Operating Revenue				
Gain on debt extinguishment - PPP loan	100,000	-	100,000	-
Total non-operating revenue	100,000	-	100,000	-
Change in Net Assets	657,415	2,459,250	3,116,665	213,769
Net Assets at Beginning of Year	419,388	413,750	833,138	619,369
Net Assets at End of Year	$ 1,076,803	$ 2,873,000	$ 3,949,803	$ 833,138

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, 2021 with Comparative Totals for the Year Ended December 31, 2020

	Administration	Fundraising	Program Services	2021 Total	2020 Total
Functional Expenses					
Licenses and images	$ -	$ -	$ 960,825	$ 960,825	$ 555,000
Salary and related expenses	53,785	125,959	640,409	820,153	564,469
Program expense - inventory (in-kind)	-	-	227,810	227,810	235,117
Grant expense	-	-	180,000	180,000	150,000
Subcontractors	67,824	-	80,493	148,317	186,019
Travel	7,151	4,356	79,147	90,654	64,397
Depreciation and amortization	3,554	-	82,080	85,634	45,896
Shipping	88	339	64,560	64,987	148,207
Stationery and printing	119	-	28,450	28,569	44,994
Website hosting and services	709	9,495	13,850	24,054	21,351
Office expense	3,243	463	17,270	20,976	39,245
Dues and subscriptions	319	11,011	7,278	18,608	14,421
Incentives	-	400	10,645	11,045	979
Interest	10,576			10,576	14,921
Facilities	6,581	503	3,197	10,281	7,353
Insurance	8,119	-	-	8,119	4,772
Events	-	248	4,802	5,050	14,872
Education and materials	456	-	3,134	3,590	64,234
Advertising	2,500	-	-	2,500	4,165
Inventory - writeoffs	-	-	-	-	7,945
Site events	-	-		-	4,354
Total Functional Expenses	$ 165,024	$ 152,774	$ 2,403,950	$ 2,721,748	$ 2,192,711

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

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Statement of Cash Flows

For the Year Ended December 31, 2021 with Comparative Totals for the Year Ended December 31, 2020

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets from Operations	$ 3,116,665	$ 213,769
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	85,634	45,896
Gain on debt extinguishment - PPP loan	(100,000)	-
Decrease (increase) in assets:		
Promises to give	(2,239,629)	(219,257)
Prepaid expenses	(4,482)	-
Inventory	(86,983)	201,257
Increase in liabilities:		
Accounts payable	(68,361)	8,364
Grants payable	(150,000)	150,000
Accrued expenses	(5,825)	(94,175)
Net Cash Provided by Operating Activities	547,019	305,854
Cash Flows from Investing Activities		
Purchase of fixed assets	(342,610)	(441,666)
Net Cash Used in Investing Activities	(342,610)	(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	75,000	25,000
Net Increase (Decrease) in Cash and Cash Equivalents	279,409	(110,812)
Cash and Cash Equivalents - Beginning	45,181	155,993
Cash and Cash Equivalents - Ending	$ 324,590	$ 45,181

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

LEARN FRESH EDUCATION CO.

Notes to the Financial Statements

December 31, 2021

(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. Non-operating revenues consist of funds received that are not attributable to the Agency's ongoing operational 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:

<u>Net Assets Without Donor Restrictions</u> - 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 the Board of Directors.

(1) Summary of Significant Accounting Policies - continued

(c) Standards of Accounting and Reporting - continued

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.

(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, 2021.

(e) Revenue Recognition

The Agency earns revenue as follows:

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

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.

Substantially all of the Agency's revenue is derived from its activities in Colorado. During the year ended December 31, 2021, the Agency derived approximately 71% of its contributions from two donors and the Agency derived 73% of its in-kind contributions from two different donors.

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) Promises to Give

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, 2021, 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) 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 based upon payroll. 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.

(j) 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.

(1) Summary of Significant Accounting Policies - continued

(k) 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.

Generally, the Agency's information and tax returns remain open for federal income tax examination for three years from the filing date. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2018 remain open.

(l) Summarized Financial Information for 2020

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, the financial statements do not include a full presentation of the statement of functional expenses, as certain prior year summarized comparative information is presented in total but not by functional classification. In addition, the financial statements do not include full financial statement disclosures for the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

(m) 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. The Agency has adopted ASU 2014-09 in the prior 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.

(1) Summary of Significant Accounting Policies - continued

(m) Recent Accounting Standards - continued

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.

In July 2018, FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases* and *ASU 2018-11, Leases (Topic 842), Targeted Improvements*. In December 2018, FASB issued ASU 2018-20, *Leases (Topic 842), Narrow-Scope Improvements for Lessors*. Adoption of these ASUs will run concurrent with the Agency's adoption of ASU 2016-02.

In September 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets.* The amendments in this update address presentation and disclosure of contributed nonfinancial assets. The ASU is effective for annual periods beginning after June 15, 2021. The Agency is currently evaluating the impact the adoption of this new standard will have on its financial statements.

(n) Paycheck Protection Program Loan

As described at Note 4, the Agency received a Paycheck Protection Program (PPP) loan in the amount $100,000 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.

(o) Reclassifications

Certain prior period amounts in the financial statements related have been reclassified to conform to the current period's presentation. Such reclassifications included amounts on the 2020 statement of activities which were reclassified to present in-kind expenses as a programmatic expense. No changes to the Agency's net loss were made as a result of such reclassifications.

(2) Promise to Give

Promises to give consist of the following as of December 31, 2021:

	Gross Promise	Allowance	Net Promise	Unamortized Discount	Total
Receivable less than 1 year	$ 2,190,000	$ -	$ 2,190,000	$ -	$ 2,190,000
Receivable in 1 to 5 years	480,000	-	480,000	(15,871)	464,129
	$ 2,670,000	$ -	$ 2,670,000	$ (15,871)	$ 2,654,129

The applicable discount rate was based upon the ten-year U.S. Treasury rate of 1.52% as of December 31, 2021.

As of December 31, 2021, 93% of the promises to give 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 plus .5% or a floor of 5.5%. As of December 31, 2021, the interest rate was 5.5%. The line is secured by the Agency's assets. Borrowings outstanding amounted to $75,000 as of December 31, 2021.

(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 was forgiven in full during the year ended June 30, 2021, which has been reported as non-operating revenue on the accompanying statement of activities. The loan bore interest at a rate of 1%, which was deferred for the first six months. The Small Business Administration (SBA) 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 Agency recognized forgiveness of the loan in 2021 when the SBA determined the amount of forgiveness and notified the Agency.

(5) Gifts in Kind

Gifts in kind for the year ended December 31, 2021 were as follows:

Gifts in kind:		
Licensing fees	$	876,350
Inventory		314,794
Other		14,475
Total	$	1,205,619

(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, 2021, net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for a specified purpose:		
Math Hoops Program	$	188,000
Administrative purposes		15,000
Subject to the passage of time:		
For periods after December 31, 2021		2,670,000
Total net assets with donor restrictions	$	2,873,000

Net assets released from restrictions during the year ended December 31, 2020 were $378,750, of which $300,000 was released from time restrictions and $78,750 was released from program restrictions.

(a) Net Assets Without Donor Restrictions

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

(6) Liquidity and Availability of Resources

The following reflects the Agency's financial assets as of December 31, 2021, 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	$	324,590
Grants receivable		2,190,000
Total		2,514,590
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors for time purposes in excess of one year		(464,129)
Restricted by donors for specific purposes		(203,000)
Total		(667,129)
Financial assets available to meet cash needs for general expenditures within one year	$	1,847,461

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).

(7) Commitments

GSP Publishing (GSP) owns the intellectual rights to Math Hoops, which is used by the Agency. 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:

2022	$	80,000

The Agency leases office and storage space pursuant to tenant-at-will agreements. Rent expense for the year ended December 31, 2021 was $7,973.

(8) 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.

(9) Subsequent Events

The Agency has performed an evaluation of subsequent events through November 14, 2022, which is the date the Agency's financial statements were available to be issued. No material subsequent events have occurred since December 31, 2021 that required recognition or disclosure in these financial statements.

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