COOL CULTURE, INC.
(A NOT-FOR-PROFIT CORPORATION)
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2021 AND 2020

Contents

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cool Culture, Inc.
Brooklyn, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Cool Culture, Inc. (a not-for-profit corporation) that comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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INDEPENDENT AUDITOR'S REPORT, CONTINUED

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Cool Culture, Inc. as of June 30, 2021 and 2020, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

KBL, LLP

KBL, LLP
New York, NY
April 8, 2022

COOL CULTURE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	2021	2020
Cash	$ 385,655	$ 396,644
Investments, at fair value	8,832	2,879
Grants and contributions receivable	756,100	166,002
Prepaid expenses and security deposits	19,454	17,273
Furniture and equipment, net	4,619	6,572
TOTAL ASSETS	$ 1,174,660	$ 589,370

LIABILITIES

	2021	2020
Accounts payable and accrued expenses	$ 72,717	$ 56,656
SBA Loan Payable	130,142	143,399
Deferred Lease	6,277	6,216
TOTAL LIABILITIES	209,136	206,271
NET ASSETS		
Without donor restrictions	395,524	330,699
With donor restrictions	570,000	52,400
TOTAL NET ASSETS	965,524	383,099
TOTAL LIABILITIES AND NET ASSETS	$ 1,174,660	$ 589,370

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

COOL CULTURE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants and contributions	475,103	570,000	1,045,103	261,740	52,400	314,140
Government contracts	192,500	-	192,500	206,500	-	206,500
Program fees and other income	246,925	-	246,925	664,037	-	664,037
Forgiveness of debt	143,399	-	143,399	-	-	-
Interest income	16	-	16	94	-	94
Net (depreciation) appreciation in fair value of investments	5,937	-	5,937	(1,158)	-	(1,158)
Net assets released from restriction	52,400	(52,400)	-	110,766	(110,766)	-
TOTAL SUPPORT AND REVENUE	1,116,280	517,600	1,633,880	1,241,979	(58,366)	1,183,613
EXPENSES						
Program services	726,292	-	726,292	794,562	-	794,562
Fundraising expenses	224,156	-	224,156	210,211	-	210,211
Management and general	101,007	-	101,007	106,763	-	106,763
TOTAL EXPENSES	1,051,455	-	1,051,455	1,111,536	-	1,111,536
CHANGE IN NET ASSETS	64,825	517,600	582,425	130,443	(58,366)	72,077
Net assets, beginning of year	330,699	52,400	383,099	200,256	110,766	311,022
NET ASSETS, END OF YEAR	$ 395,524	$ 570,000	$ 965,524	$ 330,699	$ 52,400	$ 383,099

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

COOL CULTURE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 582,425	$ 72,077
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	3,623	4,887
Net (appreciation) depreciation on investments	(5,953)	1,064
Forgiveness of SBA loan payable	(143,399)	
Changes in operating assets and liabilities:		
Grants and contributions receivable	(590,098)	43,724
Prepaid expenses and security deposits	(2,181)	1,657
Deferred lease	61	2,112
Accounts payable and accrued expenses	16,061	13,930
Net cash(used in) provided by operating activities	(139,461)	139,451
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(1,670)	-
Net cash (used in) investing activities	(1,670)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from SBA loan payable	130,142	143,399
Net cash provided by investing activities	130,142	143,399
Net increase in cash and cash equivalents	(10,989)	282,850
Cash and cash equivalents beginning of year	396,644	113,794
Cash and cash equivalents at end of year	$ 385,655	$ 396,644

Supplementary disclosures of cash flow information

	2021	2020
Cash paid during the year for:		
Interest expense	$ -	$ -
Income taxes	$ -	$ -

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

COOL CULTURE, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED
JUNE 30, 2021

				2021
	Program Services	**Fundraising Expenses**	**Management and General**	**Total Expenses**
Personnel services	$ 485,435	90,615	71,198	$ 647,248
Program expenses	33,635	-	340	33,975
Depreciation	2,717	507	399	3,623
Dues and subscriptions	2,065	629	299	2,993
Insurance expense	6,091	1,218	812	8,121
Office expenses	12,963	2,803	1,754	17,520
Professional fees	149,258	27,495	19,639	196,392
Payroll processing fees	6,177	1,235	824	8,236
Rent	20,309	3,791	2,979	27,079
Telephone and internet	5,926	1,186	790	7,902
Travel and meetings	40	16	4	60
Website expense	1,676	335	224	2,235
Bank and credit card processing fees	-	1,025	1,746	2,771
Fundraising and development	-	93,301	-	93,301
Miscellaneous	-	-	-	-
	$ 726,292	**$ 224,156**	**$ 101,008**	**$ 1,051,456**

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

COOL CULTURE, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED
JUNE 30, 2020

				2020
	Program Services	**Fundraising Expenses**	**Management and General**	**Total Expenses**
Personnel services	$ 562,734	105,044	82,535	$ 750,313
Program expenses	68,956	-	697	69,653
Depreciation	3,665	684	538	4,887
Dues and subscriptions	1,898	578	275	2,751
Insurance expense	5,733	1,147	764	7,644
Office expenses	14,748	3,189	1,993	19,930
Professional fees	58,669	10,807	7,720	77,196
Payroll processing fees	7,177	1,435	957	9,569
Rent	63,522	11,857	9,317	84,696
Telephone and internet	6,279	1,256	837	8,372
Travel and meetings	582	224	51	857
Website expense	599	120	80	799
Bank and credit card processing fees	-	586	999	1,585
Fundraising and development	-	73,284	-	73,284
Miscellaneous	-	-	- -	-
	$ 794,562	**$ 210,211**	**$ 106,763**	**$ 1,111,536**

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

NOTE 1 - THE ORGANIZATION

Cool Culture, Inc. (the "Organization") was incorporated in 2002 as a nonprofit corporation under the laws of the State of New York. The Organization is exempt from the payment of federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Organization was incorporated as a voluntary not-for-profit organization for the purpose of facilitating low-income families' access to and participation in the cultural life of New York City, in order to provide enrichment and education for children.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).The accounting policies of the Institute have been designed to conform to U.S. GAAP as applicable to not-for-profit organizations.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

> Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Institute. The Institute's board may designate assets without restrictions for specific operational purposes from time to time.
>
> Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. This also includes net assets subject to donor-imposed stipulations that must be maintained permanently by the Institute. Generally, the donors of these assets permit Institute to use all, or part of the income earned on related investments for general or specific purposes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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

The Organization considers all highly liquid investments and investment instruments with a maturity of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents include demand deposits and temporary investments with high credit financial institution that are readily convertible to cash.

The Organization had no cash equivalents at June 30, 2021 and 2020.

Fair value of Financial Instruments

The fair value of financial instruments classified as current assets or liabilities approximate their carrying value due to the short-term maturity of the instruments.

Income Taxes

The Organization is a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code. Therefore, there is no provision for income taxes.

The Organization has no unrecognized tax benefits at June 30, 2021. The Organization's Federal and State tax returns prior to fiscal year 2018 are closed, and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Fixed Assets

Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

Description	*Estimated useful life*
Computers and equipment	3 years

Repairs and maintenance charges are expensed as incurred.

Concentrations of Credit Risks

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and receivables.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Concentrations of Credit Risks (Continued)

Cash: The Organization maintains its cash balances in various domestic institutions. The funds held by banks are insured by the Federal Deposit Insurance Corporation (FDIC). At times, such deposits may be in excess of the insurance limits. The Organization has not experienced any losses on such accounts and management believes the Organization is not exposed to any significant credit risk on cash held in financial institutions.

Receivables: Concentrations of credit risk with respect to receivables are generally diversified due to a large number of entities and individuals composing the Organization's program and donor base and generally short collection periods.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's financial statement presentation.

Recently Issued Accounting Pronouncements

The Organization does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a significant effect to the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statement of activities and changes in net assets, which included all expenses incurred for the year. Accordingly, certain costs have been allocated among the programs. Such allocations are determined by management in accordance with grant provisions and/or other equitable bases.

The expenses that are allocated include the following:

Expense	Method of Allocation
Personnel services	Time and Effort
Program expenses	Time and Effort
Occupancy	Square Footage
Professional services	Full Time Equivalent
Printing	Full Time Equivalent
Information technologies	Full Time Equivalent
Travel	Time and Effort
Other	Time and Effort

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Revenue Recognition – Contracts with Customers Accounted for in Accordance with ASC 606

The Organization recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Organization expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Organization combines it with other performance obligations until a distinct bundle of goods or services exists. Performance obligations are satisfied over time and the related revenue is recognized as services are rendered.

The Organization's management expects that the period between when the Organization transfers goods and services to their customers and when their customers pay for these goods and services will be one year or less. Therefore, the Organization elected the practical expedient to not adjust the promised amount of consideration in relation to the impact of a significant financing component. Invoices resulting from the Organization's contracts with customers are generally due within 30 days of the invoice date.

Revenue Recognition Accounted for in Accordance with ASC 605: Topic 958 Not for Profit Entities

Governments Grants and Contracts

Revenue from government contracts is recognized when qualified expenditures are incurred and conditions under the grant agreements are met. Contract payments in excess of qualified expenses are accounted for as contract advances.

Fundraising Events

The Institute holds fund-raising events and reports the revenues generated, net of any direct operating costs, as revenue, gains, and other support in the accompanying statements of activities. Fund-raising revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Contribution Revenue

The Institute receives support from individuals, foundations, corporations, and other nonprofit organizations in support of Institute's mission, contribution revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. From time to time, the Institute receives promises to give that have certain conditions such as meeting specific performance-related barriers or limiting Institute's discretion on use of the funds. Other contributions may have recoverable features to the promise to give. Such conditional promises to give are recognized when the conditions are substantially met.

In-Kind Contributions

Donated property, services, and other noncash donations are recorded as contributions at their estimated fair value at the date of the donation. The estimated fair values of the In-Kind contributions are recorded as revenue and expenses at fair-market value in the period in which each contribution was made.

Refundable Donor Advances

A transfer of assets (i.e., cash received) that is related to a conditional contribution is accounted for as a refundable donor advance in accounts payable and accrued expenses in the accompanying statement of financial position until the conditions have been substantially met or explicitly waived by the donor. As a result of the prospective application of ASU 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope of and the Accounting Guidance for Contributions Received and Contributions Made, certain government grants and contracts balances were reclassified from deferred revenue to refundable donor advances as of the effective date of the new standard (January 1, 2019). Other changes in refundable donor advances result from timing differences between payments received from donors and the satisfactions of the conditions within the contracts and grant agreements.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) (ASU 2016-02). The amendments in ASU 2016-02 created FASB ASC Topic 842, Leases, and supersede the requirements in ASC Topic 840, Leases, ASU 2016-02. ASU 2016-02 requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under ASC topic 840. Under the guidance of ASU 2016-02, a lessee should recognize in the balance sheet a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The accounting applied by a lessor under ASU 2016-02 is largely unchanged from that applied under ASC Topic 840. On April 8, 2020, the FASB voted to defer the effective date of ASU 2016-02 by one additional year. The ASU is now effective

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Pronouncements (continued)

for the Organization's fiscal year ended December 31, 2022. The Organization has not yet determined the impact of the new standard on its financial statements.

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958); Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, to improve transparency in the reporting of contributed nonfinancial asset also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. ASU No. 2020-07 was issued to address certain stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by not-for-profits, as well as the amount of those contributions used in an entity's programs and other activities. The standard is effective for annual reporting periods beginning after June 15, 2021 and should be applied on a retrospective basis. The Organization is evaluating the effect that ASU No. 2020-07 will have on its financial statements and related disclosures.

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. This ASU of its disclosure framework project. This standard is effective for all entities for financial statements issued for fiscal years beginning after December 15, 2019. The adoption of this guidance did not have a material impact on the Institute's financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which entities expect to be entitled in exchange for those goods or services. The update also requires additional disclosure to enable readers of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers and that is why the Organization has adopted this retrospective method. Additionally, the Organization applied the practical expedient (i) to account for revenues with similar characteristics as a collective group rather than individually, (ii) to not adjust the transaction price for the effects of significant financing components (if any), and (iii) to not disclose the transactions price allocated to unsatisfied or partially unsatisfied performance contracts with an expected duration of less than one year. The effect of the Organization's adoption of ASC 606 is outlined below.

In June 2018, the FASB issued ASU 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The standard clarified and improved current guidance by providing criteria for determining whether a nonprofit is receiving commensurate value in return for the resources transferred. The outcome of the analysis determines whether the contract or grant constitutes either a contribution or an exchange transaction (i.e., ASC 606). The guidance also provides a more robust framework for

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Pronouncements (continued)

determine whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed restriction. The Organization adopted this update on a modified prospective basis and the effects of the adoption are outlined below.

The effect of ASC 606 and ASU 2018-08 on the Organization's financial statements were examined in conjunction with one another. Prior to the clarification provided in ASU 2018-08, transactions with customers that benefited the general public were considered to be exchange transactions. Under the clarified guidance, such transactions constitute contributions. The Organization reassessed the nature of its revenue-producing arrangements to ensure alignment with the definition of a contract under ASC 606 and an exchange transaction under ASU 2018-08. As a result, certain arrangements that have been classified as exchange transactions in previous years were concluded to be contributions under ASU 2018-08. The following changes in accounting policies occurred, during the year ended December 31, 2019, as a result of the implementation of the ASC 606 and ASU 2018-08.

The Organization's revenue from government grants and contracts was previously accounted for as exchange transactions since the arrangement with the customer benefited the general public and revenue was recognized as expenses were incurred. Under ASU 2018-08, the Organization's revenue from government contracts is considered contributions because the customer does not receive commensurate value for the consideration received by the Organization; rather, the purpose of these arrangements is for the benefit of the general public. Therefore, the Organization's management concluded that the agreements are conditional due to rights of return/release and barriers to the entitlement to funds. It was agreed that revenue is recognized when the condition is satisfied. Since the nature of conditions is either based on incurring qualifying expenses or satisfying a milestone or other deliverable, the pattern of approach is that there was no material change in the revenue recognition for government grants and contracts. Under ASU 2018-08, refundable advances recorded related to government grants and contracts. In accordance with the prospective transition approach in ASU 2018-08, the deferred revenue balances were reclassified to refundable advances on January 1, 2019.

Contribution revenue and trusts and bequests were accounted for under ASC Topic 958-605, Not-for-Profit entities, Revenue Recognition, before the implementation of the new standards. With the clarifications, outlined in ASU 2018-08, the Organization's management reviewed existing agreements as of the effective date, as well as new agreements for 2019, and concluded that there are no material changes in revenue related to contributions, trusts, and bequests.

In addition, the Organization elected the net asset release policy option for contributions with donor restrictions that were initially conditional contributions. As part of this election, the Organization reports contributions restricted by donors (that were conditional in nature) as increases in net assets without donor restrictions if the conditions are met and the restrictions expire in the reporting period

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Pronouncements (continued)

in which the revenue is recognized. The Organization has not changed its policy for unconditional contributions; the Organization reports contributions restricted by donors (that were unconditional in nature) as increases in net assets with donor restrictions. When the donor restriction expires on an unconditional contribution, the release is reported as net assets released from donor restrictions in the consolidated statement of activities.

Investments

Investments held in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position.

Unrealized gains or losses are included in the changes in net assets. Investment income is reported net of brokerage fees and commissions. Investment transactions are recorded on a trade date basis.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Major U. S. and foreign equity and fixed income indices have experienced volatility and, in some cases, significant declines. Management is monitoring investment market conditions and the impact such declines are having on the Organization's investment portfolio. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position and activities.

Fair Value of Financial Instruments

The fair value of financial instruments classified as current assets or liabilities approximate their carrying value due to the short-term maturity of the instruments.

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. Valuation techniques that are consistent with the market, income, or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access as of the measurement date.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fair Value of Financial Instruments, Continued

- Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, namely April 8, 2022.

NOTE 3 - INVESTMENTS

The following tables set forth the investment assets at fair value within the fair value hierarchy at June 30, 2021 and 2020:

2021

	Level 1	Level 2	Level 3	Total
Corporate stocks	$ 8,832	$ -	$ -	$ 8,832
Total investments	**$ 8,832**	**$ -**	**$ -**	**$ 8,832**

2020

	Level 1	Level 2	Level 3	Total
Corporate stocks	$ 2,879	$ -	$ -	$ 2,879
Total investments	**$ 2,879**	**$ -**	**$ -**	**$ 2,879**

Investment income consists of:

	2021	2020
Interest and dividends	$ 16	$ 94
Realized and unrealized gain (loss) on investments	5,937	(1,158)
Total investment income (loss)	**$ 5,953**	**$ (1,064)**

NOTE 4 – RECEIVABLES

The Organization's receivables are comprised of contributions receivable and grants receivable from government agencies and foundations.

Contributions receivable consists of pledges receivable or contributions due from third parties. The Organization continuously monitors outstanding contributions receivable for collectability.

Grants and contributions receivable as of June 30, 2021, and 2020 follow below:

		2021		**2020**
Grants and contributions receivable:				
NYC City Council	$	112,500	$	--
Bay and Paul Foundation		530,000		--
City of New York		17,110		64,185
National Endowment for the Arts		25,000		25,000
Department of Cultural Affairs		55,500		36,300
NY Community Trust		--		18,948
Contributions receivable		15,990		21,569
Total grants and contributions receivable	**$**	**756,100**	**$**	**166,002**

NOTE 5 – LEASE AGREEMENTS

In January 2014, the Organization moved into a new and larger office space within the same building, effective January 1, 2014 and expiring June 30, 2015, for a monthly rent of $4,925 for twelve months with automatic monthly renewals at the end of twelve months. In February 2015, the Organization extended its current lease until June 30, 2018. In May 2018, the Organization extended its current lease until June 30, 2023. The Organization also has the option to renew the lease for an additional one year from July 1, 2023 to June 30, 2024.

Rent expense for the years ended June 30, 2021 and 2020 amounted to $27,078 and $84,696, respectively.

Under the above lease agreements, at June 30, 2021, the Organization’s future commitments are as follows:

Year ending June 30,		
2022	$	72,525
2023		74,701

NOTE 6 – DEFERRED LEASE

The Organization leases administrative office under operating leases. The lease agreement generally includes rent escalation clauses. The Organization recognizes scheduled rent increases on a straight-line basis over the term of the respective leases.

The Company's deferred rent relates to the operating lease for the office, which is scheduled to expire in 2023 amounting to $6,277 and $6,216 for the years ended June 30, 2021 and 2020.

NOTE 7 - LIQUIDITY

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

		2021		2020
Cash		$ 385,655		$396,644
Grants and accounts receivable		756,100		166,002
Prepaid expenses		2,861		680
		$ 1,144,616		$563,326

The Organization manages its financial assets to be available as its operating expenditures, liability, and other obligations come due.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2021:		
Education and Training		
	Program Services	$ 570,000
Net assets with donor restrictions are restricted for the following purposes as of June 30, 2020:		
Education and Training		
	Program Services	$ 52,400

Year ended June 30, 2021				
	Opening	**Contributions**	**Released**	**Closing**
Education and training	52,400	570,000	(52,400)	570,000
Year ended June 30, 2020				
	Opening	**Contributions**	**Released**	**Closing**
Education and training	110,766	52,400	(110,766)	52,400

NOTE 9 - SBA LOAN PAYABLE

During 2020, the Coronavirus Disease (COVID-19) caused major disruptions to the economy. The financial impacts to the Organization will likely result in significantly reduced revenues for at least the few next quarters of 2021 and beyond. Management is monitoring the situation closely and expects to make needed changes to its operations should circumstances warrant in order to mitigate any negative long-term financial impacts on the Organization. The Organization received a loan under the Paycheck Protection Program (PPP-1) from the Small Business Administration Management in the amount of $143,399 on May 11, 2020. Under the terms of this loan, if certain provisions were met within 24 weeks of obtaining this loan, part or all of this loan will be forgiven. The loan was forgiven on April 7, 2021. The Organization received a loan under the Paycheck Protection Program (PPP-2) from the Small Business Administration Management in the amount of $130,142 on March 19, 2021. Under the terms of this loan, if certain provisions are met within 24 weeks of obtaining this loan, part or all of this loan will be forgiven. Management expects that all of this loan will be forgiven by meeting those provisions.