

Audited Financial Statements



June 30, 2020

Quigley & Miron

Get Lit - Words Ignite, Inc.
Audited Financial Statements
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Independent Auditor's Report

Board of Directors
Get Lit - Words Ignite, Inc.
Los Angeles, California

We have audited the accompanying financial statements of Get Lit - Words Ignite, Inc., a nonprofit organization, which comprise the statement of financial position as of June 30, 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.

Auditor's 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 of 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.

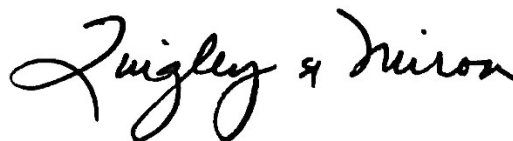
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Report on Summarized Comparative Information

We have previously audited Get Lit - Words Ignite, Inc.'s June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 21, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Ziegler & Miron". The signature is written in a cursive, flowing style.

Los Angeles, California
April 30, 2021

Get Lit - Words Ignite, Inc.
Statement of Financial Position
June 30, 2020
(with comparative totals for 2019)

Assets	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and cash equivalents	\$ 331,256	\$ 287,832
Contributions receivable	164,000	53,907
Accounts receivable	41,720	16,640
Equipment, net—Note 3	17,123	31,876
Deposits and other assets	6,860	6,860
Total Assets	<u>\$ 560,959</u>	<u>\$ 397,115</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 37,637	\$ 11,732
PPP advance—Note 4	99,896	
Total Liabilities	137,533	11,732
Commitments and Contingencies—Notes 5 and 6		
Net Assets		
Without donor restrictions	213,179	218,976
With donor restrictions—Note 7	210,247	166,407
Total Net Assets	<u>423,426</u>	<u>385,383</u>
Total Liabilities and Net Assets	<u>\$ 560,959</u>	<u>\$ 397,115</u>

See notes to financial statements.

Get Lit - Words Ignite, Inc.
Statement of Activities
Year Ended June 30, 2020
(with comparative totals for 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
Support and Revenues				
Contributions				
Foundations and government agencies	\$ 305,587	\$ 572,613	\$ 878,200	\$ 540,336
Individuals	95,315		95,315	103,443
Corporations	57,564		57,564	180,352
In-kind—Note 8	94		94	9,427
Fundraising events, net				
Gross revenue	116,175		116,175	152,453
Less cost of direct benefits to donors	(65,343)		(65,343)	(39,997)
Fundraising Event, Net	50,832		50,832	112,456
Program service fees	135,806		135,806	237,496
Program events	43,500		43,500	25,895
Interest income	66		66	
Net assets released from restrictions	528,773	(528,773)		
Total Support and Revenues	1,217,537	43,840	1,261,377	1,209,405
Expenses				
Youth poetry and spoken word services				
Classic Slam program event	178,284		178,284	250,609
Get Lit Media program	260,191		260,191	184,627
In-School programs	333,449		333,449	229,579
After-School programs	211,967		211,967	262,814
Total Program Services	983,891		983,891	927,629
Supporting services				
General and administrative	111,415		111,415	133,404
Fundraising	128,028		128,028	177,252
Total Expenses	1,223,334		1,223,334	1,238,285
Change in Net Assets	(5,797)	43,840	38,043	(28,880)
Net Assets at Beginning of Year	218,976	166,407	385,383	414,263
Net Assets at End of Year	\$ 213,179	\$ 210,247	\$ 423,426	\$ 385,383

See notes to financial statements.

Get Lit - Words Ignite, Inc.
Statement of Functional Expenses
Year Ended June 30, 2020
(with comparative totals for 2019)

	Youth Poetry and Spoken Word Services					Supporting Services			2020 Total	2019 Total
	Classic Slam	Get Lit Media	In- School	After- School	Total	General and Administrative	Fundraising	Fundraising Events		
Salaries	\$ 82,580	\$ 131,323	\$ 222,850	\$ 120,664	\$ 557,417	\$ 24,875	\$ 47,165	\$	\$ 629,457	\$ 506,534
Payroll taxes	6,939	11,150	19,090	10,162	47,341	2,077	3,955		53,373	50,258
Employee benefits	3,685	4,509	4,509	4,509	17,212	1,513	746		19,471	19,572
Total Payroll, Taxes, and Benefits	93,204	146,982	246,449	135,335	621,970	28,465	51,866		702,301	576,364
Bank fees		39			39	925	661		1,625	3,712
Cost of direct benefits to donors								65,343	65,343	39,997
Depreciation	2,951	2,951	2,951	2,951	11,804	2,949			14,753	15,705
Information technology	1,005	3,180	18,618	1,005	23,808	1,883	1,616		27,307	9,249
Insurance	478	478	478	478	1,912	7,132			9,044	13,423
Miscellaneous	5,232	18,939	6,222	8,237	38,630	23,038	15,531		77,199	83,062
Outside services	13,881	42,345	29,833	31,166	117,225	3,918	52,214		173,357	217,568
Postage and printing	6,772	37	9,889	798	17,496		2,654		20,150	53,843
Professional fees		2,121			2,121	3,887			6,008	11,434
Rent—office	13,957	15,591	15,591	15,591	60,730	15,209			75,939	80,361
Rent—program event venues	25,588	300		6,155	32,043		400		32,443	59,406
Supplies	13,862	11,493	328	6,533	32,216	23,603	3,064		58,883	75,384
Travel	1,354	15,735	3,090	3,718	23,897	406	22		24,325	38,774
Total Expenses by Function	178,284	260,191	333,449	211,967	983,891	111,415	128,028	65,343	1,288,677	1,278,282
Less expenses included with revenues on the statement of activities										
Cost of direct benefits to donors								(65,343)	(65,343)	(39,997)
Total Expenses	\$ 178,284	\$ 260,191	\$ 333,449	\$ 211,967	\$ 983,891	\$ 111,415	\$ 128,028	\$	\$ 1,223,334	\$ 1,238,285

See notes to financial statements.

Get Lit - Words Ignite, Inc.
Statement of Cash Flows
Year Ended June 30, 2020
(with comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
Operating Activities		
Change in net assets	\$ 38,043	\$ (28,880)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	14,753	15,705
Changes in operating assets and liabilities:		
Contributions receivable	(110,093)	(32,907)
Accounts receivable	(25,080)	7,656
Deposits		(300)
Accounts payable and accrued expenses	25,905	1,845
PPP advance	99,896	
Net Cash Provided by (Used in) Operating Activities	<u>43,424</u>	<u>(36,881)</u>
Increase (Decrease) in Cash and Cash Equivalents	43,424	(36,881)
Cash and Cash Equivalents at Beginning of Year	<u>287,832</u>	<u>324,713</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 331,256</u></u>	<u><u>\$ 287,832</u></u>
Supplementary Disclosures		
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

Get Lit - Words Ignite, Inc.
Notes to Financial Statements
June 30, 2020
(with comparative totals for 2019)

Note 1—Organization and Summary of Significant Accounting Policies

Organization—Get Lit - Words Ignite, Inc. (Get Lit) is a California nonprofit corporation established in 2006 for the purpose of stemming dropout rates and increasing literacy among youth in Los Angeles through the fusion of classic poetry and the spoken word movement. Get Lit places the greatest poets of our time in dialogue with our youth. Through its three major program areas, Get Lit fosters cultural understanding, creative self-expression and performance technique, reaching over 20,000 teens each year. Their program areas include:

The Classic Slam is the largest teen poetry competition in the nation, where students from high schools face off to “slam” poems by classic poets such as Pablo Neruda, Federico Garcia Lorca, Langston Hughes, Emily Dickinson, and Maya Angelou, in combination with their own spoken word responses. Classic Slam is held every spring, in tandem with National Poetry Month in April, for audiences of thousands. Leading writers, actors, and artists volunteer their time as Classic Slam judges, awarding various prizes to the winning teams.

The After-School Programs include: The Get Lit Players, an award winning, professional performance troupe comprised of teenagers from high schools throughout California, selected through a competitive audition process. The Get Lit Players travel across the nation performing both classic and spoken word poetry, inspiring their peers to read, write, be leaders in their communities and participate in the arts. Summer Camps: Get Lit provides low-cost 2-week summer intensives in filmmaking and spoke word writing and performance. Get Lit offers ongoing Saturday Drop-In poetry workshops, free and open to all experience levels, and hold monthly Open Mics. Get Lit’s poetry workshops for Transition-Aged Youth, given in partnership with the Los Angeles County Department of Mental Health, introduce participants to the discipline of writing and guide them in finding their voice.

The In-School Program works in partnership with high schools across the United States to ignite creativity and an authentic love of learning in teens through the memorization, writing and performance of classic and spoken word poetry. In-School is for students 9-19 who are in classes taught by teachers who have been certified in the Get Lit Curriculum and Methodology. Get Lit’s 12-week curriculum is aligned to Common Core Standards for English/Language Arts and Visual & Performing Arts. Get Lit’s one-semester or full-year “Words Ignite” curriculum is approved by the University of California to satisfy “A-G” English and General Elective standards.

Get Lit Media includes the Film Education Program and youth-run original Content Studio. The Film program includes: Pilot I (Intro to Filmmaking), a free 12-week, 3x per year series and Pilot II (Advanced Filmmaking), a free, 12-week, 2x per year intensive culminating in the creation of two short student films. Poetic Screenwriters Lab: A yearlong series for screenwriters-poets to work with established writers. Youth Edit Lab: Training in post-production. The Content Studio youth produce weekly podcasts, original performance videos, and interview programs featuring well-known writers from around the world.

Get Lit - Words Ignite, Inc.

Notes to Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Get Lit's net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of Get Lit and changes therein are presented and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of Get Lit. These net assets may be used at the discretion of Get Lit's management and the board of directors.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of Get Lit and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit Get Lit to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of Get Lit's youth poetry and spoken word services; interest and dividends earned on investments, etc. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature; Get Lit did not engage in any reportable nonoperating activities during the years ended June 30, 2020 and 2019.

Income Taxes—Get Lit is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered '*more likely than not*' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at June 30, 2020 and 2019. Generally, Get Lit's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Get Lit - Words Ignite, Inc.

Notes to Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Equipment—Depreciable assets are recorded at historical cost or fair market value at date of donation and are depreciated using the straight-line method over their useful lives, ranging from three to seven years. It is Get Lit's policy to expense items under \$2,500.

Concentrations of Credit Risk—Financial instruments which potentially subject Get Lit to concentrations of credit risk consist of cash and cash equivalents, contributions receivable, and accounts receivable. Get Lit places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At times, such cash and cash equivalent balances are in excess of the FDIC insurance limits. Management regularly reviews the financial stability of its cash depositories and deems the risk of loss due to these concentrations to be minimal. Contributions receivable consist of balances from foundations and individuals. Accounts receivable are principally with government agencies and local schools. It is management's opinion that the contributions receivable and accounts receivable are fully collectible and, as a result, an allowance for doubtful accounts was not considered necessary at June 30, 2020 and 2019.

Recently Adopted Accounting Principle—In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies and improves the scope of the accounting guidance for contributions received and contributions made. The clarifications and improved scope assist entities in 1) evaluating whether transactions should be accounted for as contributions (nonreciprocal) or as exchange (reciprocal) transactions, and 2) determining whether a contribution is conditional. The clarified guidance applies to all entities that receive or make contributions (grants). ASU No. 2018-08 has been adopted by Get Lit for the year ended June 30, 2020, however, the retrospective approach requires that organizations reflect the effect of the new guidance in the earliest year presented in the financial statements. Get Lit has determined that adopting ASU No. 2018-08 has had no material effect on the financial statements.

Revenue Recognition—Get Lit's revenue recognition policies are as follows:

Government agencies—Grant revenues from government agencies are reported as increases in unrestricted net assets as allowable expenditures under such agreements are incurred. The amounts expended in excess of reimbursements are reported as grants receivable. Amounts received in excess of amounts expended are recorded as deferred revenue.

Fundraising event income—Fundraising event income is recognized when such income is received.

Program activity fees—Get Lit recognizes program activity fees as revenue when the fees are earned.

Get Lit - Words Ignite, Inc.

Notes to Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between youth poetry and spoken word services and supporting services benefitted. Such allocations are determined by management on an equitable basis. Estimates of time and effort were used as the basis of allocation for the following expenses: salaries, payroll taxes, employee benefits, depreciation, insurance, miscellaneous expenses, rent, outside services, postage and printing, and supplies.

In-Kind Contributions—All in-kind contributions are valued at their estimated fair market value at the date of the gift.

Statement of Cash Flows—For the statement of cash flows, Get Lit defines cash and cash equivalents to be cash on hand and short-term, highly liquid investments with maturities of three months or less.

Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Totals for 2019—The accompanying financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Get Lit's audited financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Reclassifications—Certain amounts in 2019 have been reclassified to conform with the 2020 financial statement presentation.

Get Lit - Words Ignite, Inc.
Notes to Financial Statements—Continued

Note 2—Availability and Liquidity

The following represents the availability and liquidity of Get Lit's financial assets at June 30, 2020 and 2019 to cover operating expenses for the next fiscal year:

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash and cash equivalents	\$ 331,256	\$ 287,832
Contributions receivable	164,000	53,907
Accounts receivable	41,720	16,640
	<u>536,976</u>	<u>358,379</u>
Total Financial Assets		
Less amounts not available to be used within one year:		
Net assets with donor restrictions		
Restricted due to purpose:		
Youth poetry and spoken word services		
Get Lit Media program		(37,500)
In-School programs	(113,184)	(75,000)
After-School programs	(75,000)	
Staff salaries	(13,063)	
Restricted due to timing	(9,000)	(53,907)
Less net assets with time restrictions to be met in less than one year	6,000	44,907
	<u>6,000</u>	<u>44,907</u>
Total Amounts Not Available to be Used Within One Year	<u>(204,247)</u>	<u>(121,500)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 332,729</u>	<u>\$ 236,879</u>

Get Lit's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$300,000). As part of its liquidity plan, excess cash is invested in a savings account.

Note 3—Equipment, Net

Net equipment consists of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Office equipment	\$ 29,281	\$ 29,281
Leasehold improvements	8,508	8,508
Vehicles	39,688	39,688
	<u>77,477</u>	<u>77,477</u>
Less accumulated depreciation	(60,354)	(45,601)
	<u>(60,354)</u>	<u>(45,601)</u>
Equipment, Net	<u>\$ 17,123</u>	<u>\$ 31,876</u>

Get Lit - Words Ignite, Inc.
Notes to Financial Statements—Continued

Note 4—PPP Advance

On May 7, 2020 Get Lit received a \$99,896 advance from the U.S. Small Business Administration’s (SBA) Paycheck Protection Program (PPP). The advance is designed to provide a direct incentive for small business struggling from the impact of the COVID-19 pandemic (see Note 10) to keep their workers on the payroll. While these funds carry loan repayment terms, it is the opinion of management that all funds received will be forgiven under the present terms of the PPP. Get Lit has elected to record the PPP grant revenue upon receipt of the forgiveness letter from the SBA.

Note 5—Commitments

Get Lit rents administrative and programmatic space under a non-cancellable operating lease agreement (Agreement), which expires May 31, 2024. Future minimum annual rental payments under the Agreement are as follows:

<u>Year Ending June 30,</u>	
2021	\$ 78,438
2022	78,438
2023	79,207
2024	<u>80,361</u>
Total	<u>\$ 316,444</u>

Rent expense totaled \$76,323 and \$74,016 for the years ended June 30, 2020 and 2019, respectively.

Note 6—Contingencies

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, the Board of Directors (Board) deems the contingency remote since, by accepting the gifts and their terms, the Board is acknowledging the requirements of the grantor at the time of receipt of the grant.

Get Lit - Words Ignite, Inc.
Notes to Financial Statements—Continued

Note 7—Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2020 and 2019 are restricted for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Youth poetry and spoken word services		
Get Lit Media program	\$	\$ 37,500
In-School programs	33,184	75,000
Staff salaries	13,063	
Promises to give, the proceeds from which have been restricted by donors:		
Youth poetry and spoken word services		
In-School programs	80,000	
After-School programs	75,000	
Support for future periods	9,000	53,907
Total Net Assets With Donor Restrictions	<u>\$ 210,247</u>	<u>\$ 166,407</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors.

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions:		
Youth poetry and spoken word services		
Classic Slam program event	\$ 100,000	\$ 229,950
Get Lit Media program	98,500	62,608
In-School programs	146,681	281,161
After-School programs	123,248	71,898
Office equipment and improvements		85,100
Staff salaries	15,437	
Fundraising supporting services		5,468
Satisfaction of timing restrictions	44,907	6,000
Total Releases from Donor Restrictions	<u>\$ 528,773</u>	<u>\$ 742,185</u>

Get Lit - Words Ignite, Inc.
Notes to Financial Statements—Continued

Note 8—In-Kind Contributions

In-kind contributions are captioned on the statement of functional expenses for the years ended June 30, 2020 and 2019 as follows:

	<u>2020</u>	<u>2019</u>
Supplies	\$ 94	\$ 3,726
Travel		3,101
Outside services		2,600
Totals	<u>\$ 94</u>	<u>\$ 9,427</u>

Note 9—Recent Accounting Pronouncements

Leases—In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for nonprofit organizations with fiscal years beginning after December 15, 2021, with early adoption permitted. Get Lit is currently evaluating the impact that the adoption of ASU No. 2016-02 will have on its financial statements.

Revenue Recognition—In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. ASU No. 2014-09 is effective for fiscal years beginning after December 15, 2019; with early adoption permitted. Get Lit is currently evaluating the impact that the adoption of ASU No. 2014-09 will have on its financial statements.

Get Lit - Words Ignite, Inc.

Notes to Financial Statements—Continued

Note 9—Recent Accounting Pronouncements—Continued

Gifts-in-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. ASU No. 2020-07 is to be applied retrospectively and is effective for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted. Get Lit is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

Note 10—Risks and Uncertainties

In early March 2020, the COVID-19 was declared to be a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been, and continues to be, severely impacted as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Get Lit has continued to conduct its youth poetry and spoken word services activities, on a remote basis, and to monitor the ongoing impact of the pandemic response on its overall operations. At the time of this reporting, the cumulative financial impact of the pandemic on Get Lit, if any, cannot be fully determined, therefore no related adjustments have been made to these financial statements.

Note 11—Subsequent Events

Management evaluated all activities of Get Lit through April 30, 2021, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.