

THE FAB FOUNDATION

Financial Statements

December 31, 2020 and 2019

THE FAB FOUNDATION

December 31, 2020 and 2019

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Independent Auditor's Report

To the Board of Directors
The Fab Foundation
Boston, Massachusetts

We have audited the accompanying financial statements of The Fab Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Fab Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Edelstein & Company LLP

Boston, Massachusetts
November 5, 2021

THE FAB FOUNDATION

Statements of Financial Position December 31,

	2020	2019
Assets:		
Cash	\$ 2,844,776	\$ 2,808,352
Accounts receivable	72,197	157,850
Grants receivable	656,578	83,500
Inventory	-	265,800
Prepaid expenses and other assets	10,548	8,370
Equipment, net	1,477	693
Total assets	<u>\$ 3,585,576</u>	<u>\$ 3,324,565</u>
 Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 217,523	\$ 254,734
Accrued expenses	255,840	142,482
Paycheck Protection Program loan	192,800	-
Line of credit	135,000	135,000
Deferred revenue	257,539	267,180
Total liabilities	<u>1,058,702</u>	<u>799,396</u>
 Net assets (deficit):		
Without donor restrictions	(230,201)	875
With donor restrictions	2,757,075	2,524,294
	<u>2,526,874</u>	<u>2,525,169</u>
 Total liabilities and net assets	 <u>\$ 3,585,576</u>	 <u>\$ 3,324,565</u>

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Statements of Activities and Changes in Net Assets For the Years Ended December 31,

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contracts	\$ 518,030	\$ -	\$ 518,030	\$ 1,151,347	\$ -	\$ 1,151,347
Grants and contributions	52,332	3,111,952	3,164,284	270,844	1,475,547	1,746,391
Tuition	699,354	-	699,354	706,324	-	706,324
Interest income	1,060	-	1,060	2,466	-	2,466
Net assets released from restrictions	2,879,171	(2,879,171)	-	1,964,039	(1,964,039)	-
Total revenue and support	4,149,947	232,781	4,382,728	4,095,020	(488,492)	3,606,528
Expenses:						
Program services:						
Organizational services	3,444,002	-	3,444,002	2,683,029	-	2,683,029
Education	572,507	-	572,507	744,500	-	744,500
Total program services	4,016,509	-	4,016,509	3,427,529	-	3,427,529
Management and general	354,533	-	354,533	410,600	-	410,600
Fundraising	9,981	-	9,981	18,149	-	18,149
Total expenses	4,381,023	-	4,381,023	3,856,278	-	3,856,278
Change in net assets	(231,076)	232,781	1,705	238,742	(488,492)	(249,750)
Net assets (deficit), beginning of year	875	2,524,294	2,525,169	(237,867)	3,012,786	2,774,919
Net assets (deficit), end of year	\$ (230,201)	\$ 2,757,075	\$ 2,526,874	\$ 875	\$ 2,524,294	\$ 2,525,169

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

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Statements of Cash Flows

For the Years Ended December 31,

2020

2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 1,705	\$ (249,750)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Bad debt expense	1,067	10,806
Depreciation	1,432	33,370
Donated inventory	-	(265,800)
Equipment grants	265,800	(500)
Changes in operating assets and liabilities:		
Accounts receivable	84,586	(14,042)
Grants receivable	(573,078)	832,500
Prepaid expenses and other assets	(2,178)	5,874
Accounts payable	(37,211)	18,337
Accrued expenses	113,358	(1,010)
Lab operating costs payable	-	(158,734)
Deferred revenue	(9,641)	(82,698)
Net cash (used in) provided by operating activities	<u>(154,160)</u>	<u>128,353</u>
Cash flows from investing activities:		
Purchases of equipment	<u>(2,216)</u>	<u>-</u>
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	<u>192,800</u>	<u>-</u>
Net increase in cash	36,424	128,353
Cash, beginning of year	<u>2,808,352</u>	<u>2,679,999</u>
Cash, end of year	<u>\$ 2,844,776</u>	<u>\$ 2,808,352</u>
Supplemental disclosure of cash flows information:		
Cash paid during the year for interest	<u>\$ 17,935</u>	<u>\$ 21,559</u>

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**Statements of Functional Expenses
For the Years Ended December 31,**

	2020						2019					
	Program Services					Total	Program Services					Total
	Organizational Services	Education	Program Services	Management and General	Fundraising		Organizational Services	Education	Program Services	Management and General	Fundraising	
Sponsorships	\$ 1,152,950	\$ -	\$ 1,152,950	\$ -	\$ -	\$ 1,152,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lab components and operating expenses	842,034	4,476	846,510	226	-	846,736	1,244,916	2,075	1,246,991	4,161	-	1,251,152
Salaries, payroll taxes and benefits	680,841	14,393	695,234	82,642	9,643	787,519	756,731	10,548	767,279	153,467	9,998	930,744
Professional fees	439,422	178,647	618,069	130,879	-	748,948	409,341	290,033	699,374	88,935	6,000	794,309
Staffing	-	360,430	360,430	-	-	360,430	-	334,291	334,291	-	-	334,291
Equipment grants	265,800	-	265,800	-	-	265,800	-	-	-	500	-	500
Occupancy	-	-	-	48,835	-	48,835	12	-	12	56,988	-	57,000
Travel	26,474	3,642	30,116	9,944	-	40,060	184,067	5,882	189,949	16,447	-	206,396
Office expense	6,098	7,392	13,490	23,054	317	36,861	3,599	5,957	9,556	28,891	2,151	40,598
Insurance	5,950	-	5,950	30,243	-	36,193	12,075	-	12,075	32,215	-	44,290
Grants and awards	21,406	-	21,406	-	-	21,406	11,242	-	11,242	-	-	11,242
Interest	-	-	-	17,935	-	17,935	-	-	-	21,559	-	21,559
Bank fees	1,496	2,460	3,956	1,968	21	5,945	273	1,900	2,173	2,948	-	5,121
Postage and delivery	354	-	354	4,595	-	4,949	1,314	3	1,317	351	-	1,668
Miscellaneous	-	-	-	2,369	-	2,369	-	1,125	1,125	-	-	1,125
Conferences	1,177	-	1,177	411	-	1,588	59,459	50,000	109,459	2,648	-	112,107
Depreciation	-	-	-	1,432	-	1,432	-	31,880	31,880	1,490	-	33,370
Bad debt expense	-	1,067	1,067	-	-	1,067	-	10,806	10,806	-	-	10,806
	<u>\$ 3,444,002</u>	<u>\$ 572,507</u>	<u>\$ 4,016,509</u>	<u>\$ 354,533</u>	<u>\$ 9,981</u>	<u>\$ 4,381,023</u>	<u>\$ 2,683,029</u>	<u>\$ 744,500</u>	<u>\$ 3,427,529</u>	<u>\$ 410,600</u>	<u>\$ 18,149</u>	<u>\$ 3,856,278</u>

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

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Notes to Financial Statements

1. Organization

Nature of Activities

The Fab Foundation (the “Organization”) was organized in February 2009 under the laws of the State of California for the purpose of providing access to the tools, the knowledge and the financial means to educate, innovate and invent using technology and digital fabrication to allow anyone to make (almost) anything, and thereby creating opportunities to improve lives and livelihoods around the world. The Organization’s headquarters are in Massachusetts. Community organizations, educational institutions and non-profit concerns are the Organization’s primary beneficiaries. The Organization’s primary sources of revenue and support are from contracts for the procurement of fab labs, grants and contributions. A fab lab is comprised of off-the-shelf, industrial-grade fabrication and electronics tools, wrapped in open source software and programs.

In 2020 the Organization participated in fundraising efforts related to the COVID-19 pandemic. Grants and contributions were received to assist other organizations involved in providing personal protective equipment (“PPE”) to healthcare workers and communities in need. The fundraising was conducted through fiscal sponsorships and other agreements, and the funds raised were transferred to entities with whom the Organization had these agreements to be used for their PPE projects aimed at the production and distribution of PPE and related efforts to fight the effects of the pandemic.

Program Descriptions

Organizational Services

The Organization promotes digital fabrication by facilitating the development of community-based and educational fab labs, the dissemination of best practices in digital fabrication throughout the fab lab network, facilitation and dissemination of research and community-beneficial projects, the funding and facilitation of fab lab and digital fabrication projects that benefit people and communities in exemplary ways, such as mobile fab labs for emergency aid, or fab labs for developing world contexts. These services include deploying, installing, training, and consulting for new fab labs as well as programmatic support of established fab labs. The Organization works to gather and provide critical evaluation data as well as provide tools for tracking the impact of fab labs in educational, business and social contexts. As part of its services, the Organization provides a network function for the fab lab community, bringing together fab labs around the world either physically (for annual meetings and workshops) or virtually through online tools and resources. Additionally, as a resource to educational organizations, entrepreneurial organizations and the general public, the Organization has developed an online global map of Fab Labs, MakerSpaces, and Innovation spaces such that people or organizations that need access to these facilities can find them easily.

Education

The Organization brings digital fabrication tools and processes to people of all ages, teaching the skills and knowledge of digital fabrication, developing curriculum for formal and informal educational settings, as well as designing and offering professional development training programs for teachers, fab lab managers and other professionals. The Organization offers advanced technical education through the Fab Academy which provides instruction and supervises investigation of mechanisms, applications, and implications of digital fabrication and other technologies. The Fab Academy is a worldwide, distributed campus utilizing fab labs as classrooms and libraries for a new kind of technical literacy.

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Notes to Financial Statements

2. Summary of Significant Accounting Policies

Basis of Presentation

In order to ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, the Organization determines the classification of its net assets and its revenue and support, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, 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 Organization. These net assets may be used at the discretion of the Organization’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. Those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

The Organization did not have any net assets with donor restrictions that are perpetual in nature as of December 31, 2020 and 2019, or for the years then ended.

Recently Adopted Accounting Pronouncements

On January 1, 2020, the Organization adopted Financial Accounting Standards Board’s (“FASB”) Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and its subsequent amendments (“ASU 2014-09”), which creates a single, comprehensive revenue recognition model for recognizing revenue from contracts with customers. The core principle of this new revenue recognition standard is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 was adopted on a modified retrospective basis, and did not result in a significant change in the judgement or timing associated with the recognition of revenue for the Organization. As such, the adoption of ASU 2014-09 did not result in a cumulative adjustment as of January 1, 2020, and it did not have a material impact on the Organization’s financial statements.

On January 1, 2020, as a resource provider, the Organization adopted FASB Accounting Standards Update 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (“ASU 2018-08”). ASU 2018-08 clarifies the guidance for distinguishing between conditional and unconditional contributions and grants made. The Organization, as a resource provider, adopted ASU 2018-08 on a modified prospective basis. The adoption did not have a material impact on the Organization’s reported net assets as of January 1, 2020.

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Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Revenue and Support

Grants and contributions are recorded as support without or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Grants and contributions that are classified as with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the restriction or expiration of the time restriction. Grants and contributions are recognized in the period in which the donor's commitment is made, if unconditional. Conditional grants and contributions are recognized when performance and/or control barriers are met by the Organization.

Contract revenue is generally related to the procurement and delivery of fab labs. Additional performance obligations, such as installation, training and curriculum development may also be included in these contracts. The Organization's performance obligations related to these contracts is to procure and deliver fab labs, and to provide any additional services as noted above which are included in the contracts. Contract revenue is recognized over time as performance obligations are met. The transaction price for each performance obligation is the amount of consideration to which the Organization expects to be entitled in exchange for transferring the promised deliverables to the customer as outlined in the contract. Any amounts received in excess of the revenue recognized are reported as deferred revenue.

Tuition received for Fab Academy is due prior to the start of each course. The Organization's performance obligations related to tuition revenue is to provide instruction to students. Students can apply for a refund of tuition paid prior to the commencement of the class, but no refunds are allowed once the class begins. Tuition revenue is recognized when the instruction commences. The transaction price is the amount of tuition charged for each course, which is a set flat rate, with scholarships awarded to certain students based on eligibility. Tuition revenue is recognized net of scholarships. Any amounts received in advance of instruction are reported as deferred revenue.

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Organization may receive in-kind support in the form of contributed services. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions are recognized at fair value when received.

The Organization receives contributions of time by volunteers, including Board members which do not meet the criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

Cash

Cash consists of deposits held in checking and money market accounts at a federally insured bank.

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Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Inventory

Inventory consisted of PancakeBots (pancake printers) which were donated to the Organization. Inventory was recorded at fair value at the time of donation. The PancakeBots were used in part for fundraising, and a limited number were given to certain donors in exchange for their contributions during the year ended December 31, 2020. The remaining units were donated to other nonprofit organizations for educational purposes during the year ended December 31, 2020.

Equipment

Equipment is recorded at cost or fair value at the date of donation, net of accumulated depreciation. Expenditures for maintenance, repairs, and renewals are charged to expense when incurred, whereas additions in excess of \$2,000 are capitalized. Depreciation is computed over the estimated useful lives (3 - 5 years) of the equipment using the straight-line method.

Functional Allocation of Expenses

The Organization records or allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are recorded directly according to their natural expenditure classification. The financial statements report certain categories of expenses that are attributed to both program and support services. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and benefits, which are allocated on the basis of estimates of time and effort.

Use of Estimates and Subsequent Events

The presentation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Organization's management has evaluated the effect which subsequent events may have on these financial statements. Management's evaluation was completed on November 5, 2021, the date these financial statements became available to be issued. Except for the event disclosed in Note 8, no events have occurred subsequent to the statement of financial position date and through the date of evaluation that met the criteria required for disclosure or accrual.

Income Taxes

The Organization is a publicly supported organization whose activities are described in Internal Revenue Code Section 501(c)(3) and, therefore, is exempt from income taxes. The Organization is also exempt from Massachusetts and California income tax.

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Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Accounting Pronouncement Issued and Not Yet Adopted

In February 2016, the FASB issued Accounting Standards Update 2016-02 (Topic 842) *Leases* (“ASU 2016-02”). This new lease standard requires most leases with terms over 12 months to be capitalized as a right-to-use asset and lease liability on the statement of financial position at the date of the lease commencement. Leases will be classified as either financing or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities and changes in net assets. This standard will be effective for the Organization during the year ended December 31, 2022. The Organization is currently in the process of evaluating the impact of adopting ASU 2016-02.

3. Availability and Liquidity

The Organization’s financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date at December 31, 2020 and 2019, are comprised of the following:

	2020	2019
Cash	\$ 2,844,776	\$ 2,808,352
Accounts receivable	72,197	157,850
Grants receivable	656,578	83,500
Total financial assets	<u>3,573,551</u>	<u>3,049,702</u>
Less: portion of net assets with donor restrictions not available to meet general expenditures within the next year	<u>(1,044,378)</u>	<u>(1,145,917)</u>
Financial assets available to meet general expenditures within the next year	<u>\$ 2,529,173</u>	<u>\$ 1,903,785</u>

Certain restricted grants received by the Organization include funds available for general operations which are allowed as a percentage of the direct expenditures made under the grants. For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization has estimated the portion of these grants which will be allocated for general expenditure over the next year. As part of the Organization’s liquidity plan, excess cash is invested in money market accounts. Additionally, the Organization maintains a \$200,000 line of credit, as discussed in Note 9. As of December 31, 2020 and 2019, \$65,000 remained available on the line of credit.

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Notes to Financial Statements

4. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect on outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and a corresponding reserve based on its assessment of the current status of individual accounts. Balances that were still outstanding after management had used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. During the years ended December 31, 2020 and 2019, receivable balances of \$1,067 and \$10,806, respectively, were written off. No allowance for uncollectible accounts was deemed necessary at December 31, 2020 or 2019.

5. Grants Receivable

Grants receivable due in less than one year amounted to \$656,578 and \$83,500 at December 31, 2020 and 2019, respectively.

6. Equipment

Equipment consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Video conferencing equipment	\$ 799,455	\$ 799,455
Computer equipment	<u>6,686</u>	<u>4,470</u>
	806,141	803,925
Less - accumulated depreciation	<u>804,664</u>	<u>803,232</u>
	<u>\$ 1,477</u>	<u>\$ 693</u>

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Notes to Financial Statements

7. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Fab4All program	\$ 1,165,554	\$ -
Procurement of fab labs	540,452	1,123,262
Fab City global initiative	500,130	152,135
Brilliant Careers project	321,108	673,622
Fiscal sponsorships for COVID-19 response	122,000	-
SCOPES project	61,581	350,275
UN Solutions Summit	46,250	-
Time restrictions	-	125,000
USA workshop and travel costs	-	40,000
Annual FAB Conference	-	25,000
STEM and DigiFab dissemination	-	25,000
STEM awards	-	10,000
	<u>\$ 2,757,075</u>	<u>\$ 2,524,294</u>

Net assets released from restrictions for the years ended December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Fiscal sponsorships for COVID-19 response	\$ 1,154,223	\$ -
Procurement of fab labs	567,810	819,649
Brilliant Careers project	342,514	319,232
SCOPES project	288,694	476,746
Fab City global initiative	152,005	97,865
Time restrictions	125,000	-
Annual FAB Conference	68,681	81,610
COVID-19 response	50,000	-
USA workshop and travel costs	40,000	40,000
Fab4All program	34,446	-
STEM and DigiFab dissemination	25,000	-
Academy scholarships and instruction	17,048	18,500
STEM awards	10,000	10,000
UN Solutions Summit	3,750	-
Humanitarian fab lab initiative	-	100,437
	<u>\$ 2,879,171</u>	<u>\$ 1,964,039</u>

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Notes to Financial Statements

8. Paycheck Protection Program Loan

On April 9, 2020, the Organization entered into a Paycheck Protection Program (“PPP”) loan agreement for \$192,800 granted by the Small Business Administration (“SBA”) under the Coronavirus Aid, Relief and Economic Security Act. The funds from the loan were received on April 13, 2020. Under the loan agreement, all or a portion of the loan and accrued interest at the rate of 1% is forgivable based on the amount of qualifying expenses incurred and levels of employee headcount and salaries maintained during a measurement period. No accrued interest was recorded during the year ended December 31, 2020, as management deemed the amount to be immaterial to the financial statements. The Organization will record the amount of forgiveness when legally released by the lender. On May 20, 2021, the Organization received full forgiveness of the PPP loan and accrued interest from the SBA.

9. Line of Credit

The Organization has a line of credit agreement with a bank. The line of credit renews automatically each year as long as the Organization is not in default with certain provisions contained in the agreement. Borrowings under the line of credit are due on demand, and are collateralized by equipment owned by the Organization. Under the line of credit agreement, the maximum borrowing limit is \$200,000. Borrowings on the line of credit bear interest at 2% over the prime rate (5.25% and 6.75% at December 31, 2020 and 2019, respectively). Borrowings outstanding on the line of credit at both December 31, 2020 and 2019 were \$135,000.

10. Lease

The Organization leases office space under a tenant-at-will arrangement. Total rent expense under this lease amounted to \$45,133 and \$52,668 for the years ended December 31, 2020 and 2019, respectively, and is included in occupancy on the statements of functional expenses.

11. Concentrations

Approximately 53% and 25% of the total revenue and support received during the years ended December 31, 2020 and 2019, was received from three and two sources, respectively. Approximately 51% and 79% of accounts receivable at December 31, 2020 and 2019 was due from three and four sources, respectively. Approximately 91% and 100% of the Organization’s grants receivable at December 31, 2020 and 2019, respectively, was due from one source.

The Organization has a concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation. The maximum deposit insurance amount is \$250,000, which is applied per depositor, per insured depository institution for each account ownership category.

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Notes to Financial Statements

12. Noncash Contributions/Equipment Grants

During the year ended December 31, 2019, the Organization received \$265,800 of donated inventory consisting of PancakeBots. No noncash contributions were received during the year ended December 31, 2020. Noncash contributions were included in grants and contributions on the statement of activities for the year ended December 31, 2019. During the year ended December 31, 2020, a limited number of the PancakeBots were given to certain donors in exchange for their contributions. The remaining units were donated to other nonprofit organizations for educational purposes during the year ended December 31, 2020. As a result, the Organization recorded \$265,800 equipment grants which is reported on the statement of functional expenses for the year ended December 31, 2020.

13. Uncertainty Regarding the Impact of COVID-19

The Organization is subject to risks and uncertainties as a result of the current COVID-19 pandemic. The COVID-19 pandemic has presented a substantial public health and economic challenge around the world and is affecting the U.S. economy and other economies worldwide. The full extent to which the COVID-19 pandemic may impact the Organization depends on future developments that are highly uncertain and may not be accurately predicted, including the duration and severity of the pandemic. The Organization is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.