Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2020

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [X] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
EXCELLIGENCE LEARNING CORPORATION 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1994

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)

EXCELLIGENCE LEARNING CORPORATION

TALI GOLDOJARB

20 RYAN RANCH RD
SUITE 200
MONTEREY, CA 93940-5743

2b Employer Identification Number (EIN) 77-0559897

2c Plan Sponsor's telephone number 831-333-5586

2d Business code (see instructions) 454110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2021	JOSEPH LOONEY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
a Sponsor's name
c Plan Name

4b EIN

4d PN

5 Total number of participants at the beginning of the plan year	**5**	715
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	617
a(2) Total number of active participants at the end of the plan year	**6a(2)**	794
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	167
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	961
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**	**6f**	961
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	644
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	56
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2G 2J 2K 2T 3H 3D 2F

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

4B

9a Plan funding arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	[X]	**R** (Retirement Plan Information)
(2)	[ ]	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	[ ]	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	[X]		**H** (Financial Information)
(2)	[ ]		**I** (Financial Information – Small Plan)
(3)	[ ]	0	**A** (Insurance Information)
(4)	[X]		**C** (Service Provider Information)
(5)	[ ]		**D** (DFE/Participating Plan Information)
(6)	[ ]		**G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2020** **This Form is Open to Public Inspection.**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
EXCELLIGENCE LEARNING CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
EXCELLIGENCE LEARNING CORPORATION

D Employer Identification Number (EIN)
77-0559897

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

SILICON VALLEY RETIREMENT SERVICES

27-2233898

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	INVESTMENT ADVISOR	9750	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	6088	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ARIEL FUND - U.S. BANK GLOBAL FUND 615 EAST MICHIGAN STREET MILWAUKEE, WI 53202	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
DODGE & COX INCOME - DST ASSET MAN 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.08%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III	**Termination Information on Accountants and Enrolled Actuaries (see instructions)** (complete as many entries as needed)

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2020

This Form is Open to Public Inspection

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
EXCELLIGENCE LEARNING CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
EXCELLIGENCE LEARNING CORPORATION

D Employer Identification Number (EIN)
77-0559897

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	828987	1393704
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	417879	519411
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	14122797	25050888
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	0
(15) Other	1c(15)	0	0

			(a) Beginning of Year	**(b)** End of Year
1d	Employer-related investments:			
	(1) Employer securities	**1d(1)**	0	0
	(2) Employer real property	**1d(2)**	0	0
e	Buildings and other property used in plan operation	**1e**	0	0
f	Total assets (add all amounts in lines 1a through 1e)	**1f**	15369663	26964003
	Liabilities			
g	Benefit claims payable	**1g**	0	0
h	Operating payables	**1h**	0	0
i	Acquisition indebtedness	**1i**	0	0
j	Other liabilities	**1j**	0	0
k	Total liabilities (add all amounts in lines 1g through1j)	**1k**	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	**1l**	15369663	26964003

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		**(a)** Amount	**(b)** Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	**2a(1)(A)**	500590	
	(B) Participants	**2a(1)(B)**	2215382	
	(C) Others (including rollovers)	**2a(1)(C)**	345219	
	(2) Noncash contributions	**2a(2)**	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	**2a(3)**		3061191
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	**2b(1)(A)**	3191	
	(B) U.S. Government securities	**2b(1)(B)**	0	
	(C) Corporate debt instruments	**2b(1)(C)**	0	
	(D) Loans (other than to participants)	**2b(1)(D)**	0	
	(E) Participant loans	**2b(1)(E)**	33116	
	(F) Other	**2b(1)(F)**	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	**2b(1)(G)**		36307
	(2) Dividends: **(A)** Preferred stock	**2b(2)(A)**	0	
	(B) Common stock	**2b(2)(B)**	0	
	(C) Registered investment company shares (e.g. mutual funds)	**2b(2)(C)**	1189028	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	**2b(2)(D)**		1189028
	(3) Rents	**2b(3)**		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	**2b(4)(A)**	0	
	(B) Aggregate carrying amount (see instructions)	**2b(4)(B)**	0	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	**2b(4)(C)**		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	**2b(5)(A)**	0	
	(B) Other	**2b(5)(B)**	0	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	**2b(5)(C)**		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		2550932
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		6837458
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3232031	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		3232031
f Corrective distributions (see instructions)	2f		138821
g Certain deemed distributions of participant loans (see instructions)	2g		-23335
h Interest expense	2h		0
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	15838	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		15838
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3363355
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		3474103
l Transfers of assets:			
(1) To this plan	2l(1)		8120237
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unmodified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) [X] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [ ] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: HAYASHI & WAYLAND **(2)** EIN: 20-1939256

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	

			Yes	No	Amount
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**	X		
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	**4n**	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2020

This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan
EXCELLIGENCE LEARNING CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
EXCELLIGENCE LEARNING CORPORATION

D Employer Identification Number (EIN)
77-0559897

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	**14a**	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14b**	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

20 **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

EXCELLIGENCE LEARNING CORPORATION 401(k) PLAN

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019

AND INDEPENDENT AUDITOR'S REPORT

EXCELLIGENCE LEARNING CORPORATION 401(k) PLAN

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HAYASHI | WAYLAND

INDEPENDENT AUDITOR'S REPORT

To the Participants and Plan Administrator
of the Excelligence Learning Corporation 401(k) Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of ***Excelligence Learning Corporation 401(k) Plan*** (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statements of changes in net assets available for benefits 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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Fidelity Management Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained a certification from the trustee as of December 31, 2020 and 2019, and for the years then ended, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

1188 PADRE DRIVE, STE 101, SALINAS, CA 93901 | PHONE: 831.759.6300 | FAX: 831.759.6380 | HW-CPA.COM
HAYASHI & WAYLAND ACCOUNTING & CONSULTING, LLP | LOCATIONS IN CARMEL, KING CITY, PASO ROBLES & SALINAS

Other Matter

The supplemental form 5500, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2020, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified or provided by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Hayashi Wayland, LLP

Salinas, California
October 12, 2021

EXCELLIGENCE LEARNING CORPORATION 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS:		
Investments, at fair value –		
Mutual funds	$ 26,444,592	$ 14,951,784
Total investments	26,444,592	14,951,784
Receivables –		
Notes receivable from participants	519,411	484,857
Total receivables	519,411	484,857
Total assets	26,964,003	15,436,641
LIABILITIES –		
Excess contributions payable	38,454	128,107
Total liabilities	38,454	128,107
NET ASSETS AVAILABLE FOR BENEFITS	$ 26,925,549	$ 15,308,534

See Notes to Financial Statements.

EXCELLIGENCE LEARNING CORPORATION 401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net appreciation in fair value of investments	$ 2,551,088	$ 2,019,693
Interest and dividends	1,192,062	707,563
Total investment income	3,743,150	2,727,256
Interest income on notes receivable from participants	33,116	25,666
Contributions:		
Participants	2,176,928	1,088,230
Rollovers	345,219	111,272
Employer	500,591	66,845
Total contributions	3,022,738	1,266,347
Total additions	6,799,004	4,019,269
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	3,286,388	2,013,153
Administrative expenses	15,838	3,943
Total deductions	3,302,226	2,017,096
NET INCREASE	3,496,778	2,002,173
TRANSFERS TO THE PLAN	8,120,237	–
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	15,308,534	13,306,361
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	$ 26,925,549	$ 15,308,534

See Notes to Financial Statements.

NOTE 1. DESCRIPTION OF PLAN

The following description of the Excelligence Learning Corporation 401(k) Plan is for general information purposes only. A Plan description is available from the Plan's sponsor, which outlines all of the significant Plan provisions. Interested parties should refer to the Plan agreement for more complete information.

General – The Plan is a defined contribution 401(k) plan adopted January 1, 1994 covering all permanent, non-union, and non-seasonal employees of Excelligence Learning Corporation, and the entities in the affiliated service group. The Plan allows participants to begin contributing to the Plan upon employment and reaching an Entry Date, which is defined as the first day of each month. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Participating employers who are covered by the provisions of the Plan are:

- Early Childhood, LLC
- Educational Products, Inc.
- Children's Factory, LLC
- ELC Distribution Center, LLC
- LifeCubby, LLC
- Childcare Education Institute
- Really Good Stuff, LLC
- Frog Street Press, LLC

Effective January 1, 2020, the Childcare Education Institute 401(k) Plan (Childcare), the Really Good Stuff, LLC 401(k) Savings Plan (RGS) and the Frog Street Press, LLC 401(k) Profit Sharing Plan (Frog Street) were merged into the Excelligence Learning Corporation 401(k) Plan. The participants from these plans and their related account balances totaling $8,120,237 were transferred into the Plan.

Contributions – Eligible employees may elect to contribute up to 60% of their eligible compensation, as pre-tax, Roth, or after-tax contributions, not to exceed the limits allowed by Section 415 and 401(k) of Internal Revenue Code. Participants may also contribute amounts representing distributions from other qualified plans. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants direct the investment of their contributions into various investment options offered by the Plan.

NOTE 1. **DESCRIPTION OF PLAN (Continued)**

Contributions (Continued) – Prior to January 1, 2020, the participating employers were able to make discretionary matching contribution on behalf of each eligible participant in accordance with the applicable matching percentage defined in their Plan document. On January 1, 2020 the Company elected to adopt safe-harbor provisions and match 100% of the deferral contributions up to a maximum of 4% of compensation. Due to the impact of Covid-19 on the Company's business operations, the match was discontinued effective May 1, 2020. For the years ended December 31, 2020 and 2019, the participating employers made matching contributions of $500,591 and $66,845, respectively.

Participant Accounts – Each participant's account is credited or debited with (1) the participant's contribution by payroll deduction, (2) a discretionary employer matching contribution (3) a portion of the net increase or decrease in the net value of the Plan investments, and (4) any loans made to or repaid by the participant. The allocation of Plan earnings is determined by using the valuation of trust assets on a daily basis. Participant accounts may be charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on the participant's eligible compensation, participant contributions, investment elections, specific participant transactions and/or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting – Participants are immediately vested in their voluntary contributions, safe harbor contributions, rollovers, and net earnings on these contributions. Beginning on January 1, 2020, participants also became fully vested in their matching contributions. Prior to January 1, 2020, vesting in the remainder of their account was based on years of continuous service, as defined in the Plan document.

Childcare participants that transferred into the Plan are vested in their prior profit sharing contributions as stated below:

Years of Service	Vested Percentage
1	20%
2	40%
3	60%
4	80%
5	100%

RGS and the Frog Street participants that transferred into the Plan are vested in their prior profit sharing contributions as stated below:

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

NOTE 1. **DESCRIPTION OF PLAN (Continued)**

Payment of Benefits – On termination of service due to death, disability, retirement, or other reasons a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account or installments. Participants may also elect to rollover their account to another tax deferred account or remain in the Plan until they are legally required to begin taking distributions. All vested account balances not exceeding $1,000 may be immediately distributed in a lump-sum payment. All vested account balances exceeding $1,000, but not exceeding $5,000, may be rolled into an Individual Retirement Account. With the plan administrator's approval, participants may withdraw all or part of their aggregate contributions in the event of financial hardship.

Participant Investment Options – Participants are allowed to invest in a variety of investment choices as more fully described in the Plan's literature. Participants may change their allocation on a daily basis.

Notes Receivable from Participants – Participants may apply to borrow from the Plan a minimum amount of $1,000 and a maximum equal to the lesser of $50,000, or, 50% of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loan fund. Loan funds may be repaid over any reasonable period, not to exceed the fifth anniversary of the date the funds were borrowed, with the exception of loans used for the purchase of a principal residence, which can be repaid over a period of up to 10 years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local economic conditions and rates being charged by local financial institutions for similar loans, as determined by the Plan Administrator. The interest rates in effect for the years ended December 31, 2020 and 2019 are based on the prevailing interest rates and ranged from 4.25% to 6.50%. Principal and interest are paid ratably through payroll deductions.

Forfeitures – When certain terminations of participation in the Plan occur, the nonvested portion of the participant's account, as defined by the Plan, represents a forfeiture. Forfeitures may first be used to pay administrative expenses of the Plan, as directed by the Employer. Forfeitures not used to reduce administrative expenses may be used to reduce Employer contributions. For the years ended December 31, 2020 and 2019 forfeited non-vested accounts totaled $49,191 and $12,020, respectively. Amounts used to reduce administrative expenses for the years ended December 31, 2020 and 2019 were $12,250 and $ –0–, respectively.

NOTE 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting – The financial statements of the Plan are prepared on the accrual basis of accounting, which is in conformity with accounting principles generally accepted in the United States of America.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Valuation of Investments and Income Recognition – Investments are stated at fair value as reported by Fidelity Management Trust Company, the Plan trustee. The fair values of the Plan's investments in mutual funds are based on the quoted market value of the underlying assets on the last business day of the Plan year.

Interest income is recognized as it is earned and dividends are recorded on the ex-dividend date.

Net appreciation in the fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the plan document.

Excess Contributions Payable – Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the excess contributions, if any, to the applicable participants prior to the March 15th deadline.

Payment of Benefits – Benefit payments to participants are recorded when paid.

Plan Expenses – Expenses to administer the Plan are paid from forfeited nonvested accounts. Expenses in excess of Plan forfeitures are paid by the participating employers and certain fees are allocated to the individual participant accounts.

Subsequent Events – The Plan Administrator has evaluated subsequent events through October 12, 2021, the date the financial statements were available to be issued.

Subsequent to the Plan's year-end, the coronavirus pandemic continued to result in volatility in financial markets, with the full impact continuing to evolve as of the date of this report.

NOTE 3. **CERTIFIED INFORMATION**

The Plan funds are held by Fidelity Management Trust Company, the Plan trustee. All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held and notes receivable from participants at December 31, 2020 and 2019 and interest, dividends, and net appreciation in the fair value of investments for the years then ended was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Plan trustee.

NOTE 3. CERTIFIED INFORMATION – (Continued)

The following table represents the fair value of investments that were certified by the Plan trustee at December 31.

	2020	2019
Investments at fair value – Mutual funds	$ 26,444,592	$ 14,951,784
Total investments	26,444,592	14,951,784
Notes receivable from participants	519,411	484,857
Total certified assets	$ 26,964,003	$ 15,436,641

The Plan trustee also certified to the completeness and accuracy of $2,551,088 and $2,019,693 of net appreciation in the fair value of investments and $1,225,178 and $733,229 of interest and dividends related to the aforementioned investments and notes receivable from participants for the years ended December 31, 2020 and 2019, respectively.

NOTE 4. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures,* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	$26,444,592	$ –	$ –	$26,444,592
Total investments at fair value	$26,444,592	$ –	$ –	$26,444,592

	Assets at Fair Value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds	$14,951,784	$ –	$ –	$14,951,784
Total investments at fair value	$14,951,784	$ –	$ –	$14,951,784

NOTE 5. RELATED-PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

Plan investments are invested in funds held by Fidelity Management Trust Company, the trustee as described by the Plan, therefore, certain transactions qualify as party-in-interest transactions. Fees paid to the Plan recordkeeper, Fidelity Investments Institutional, qualify as party-in-interest transactions and amount to $6,088 and $3,943 for the years ended December 31, 2020 and 2019, respectively. Fees paid by the Plan to the financial advisor, Silicon Valley Retirement Services, qualify as party-in-interest transactions and amount to $9,750 and $-0- for the years ended December 31, 2020 and 2019, respectively.

NOTE 6. PLAN TERMINATION

Although it has not expressed any intent to do so, Plan Management has the right under the plan document to discontinue its contributions at any time and to terminate this Plan subject to the provisions of ERISA. In the event of plan termination, each participant, retired participant, former participant and beneficiary shall be entitled to receive any amount credited to that person's account.

NOTE 7. TAX STATUS

The Plan has adopted a volume submitter plan sponsored by Fidelity Management & Research Company. The volume submitter plan provider has received an advisory letter from the Internal Revenue Service as to the volume submitter plan's qualified status. The volume submitter plan advisory letter has been relied upon by the Plan. The Plan has been amended since the volume submitter plan received the advisory letter. The Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 8. RISKS AND UNCERTAINTIES

The Plan invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of the investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

NOTE 9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Variations in the timing of the recognition of certain transactions affecting the Plan has resulted in differences between the financial statements and the Internal Revenue Service Form 5500. The following is a reconciliation of these differences:

	2020	2019
Net Assets available for benefits:		
Per audited financial statements	$ 26,925,549	$ 15,308,534
Loans deemed distributed	–	(66,978)
Excess contributions payable	38,454	128,107
Per Form 5500	$ 26,964,003	$ 15,369,663

NOTE 9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 – (Continued)

Net income:		
Per audited financial statements	$ 3,496,778	$ 2,002,173
Loans deemed distributed - beginning of year	66,978	(59,785)
Excess contributions payable - beginning of year	(128,107)	(44,046)
Excess contributions payable - end of year	38,454	128,107
Per Form 5500	$ 3,474,103	$ 2,026,449

NOTE 10. CARES AND SECURE ACTS

The Plan has implemented certain requirements by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for loan repayment, request a pre-approved CARES Act distribution of up to $100,000, suspend required minimum distributions, and delay the commencement date for required minimum distributions. The optional features within these acts, with the exception of the suspension of required minimum distributions, were adopted by the Plan during the plan year ended December 31, 2020. Written amendments to the Plan to reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

SUPPLEMENTAL SCHEDULE

EXCELLIGENCE LEARNING CORPORATION 401(k) PLAN
PLAN SPONSOR EIN: 77–0559897
PLAN NUMBER: 001
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2020

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity date	(d) Cost	(e) Current Value
Mutual Funds				
	Dodge & Cox	Dodge & Cox Income Fund	**	$ 425,943
	Vanguard	Vanguard International Value Fund	**	152,644
	Vanguard	Vanguard Equity Income Admiral Fund	**	699,217
	Vanguard	Vanguard International Growth Fund	**	1,446,824
	Vanguard	Vanguard Mid Cap Index Admiral Fund	**	178,685
	Vanguard	Vanguard Short Term Federal Admiral Fund	**	224,267
	Vanguard	Vanguard MDCPGR Index Admiral Fund	**	180,675
	Virtus Ceredex	Virtus Ceredex Mid Cap Value Equity Fund	**	1,059,041
*	Fidelity	Fidelity Contrafund Fund	**	3,467,866
*	Fidelity	Fidelity Mid Cap Stock Fund	**	276,434
*	Fidelity	Fidelity Freedom Income Fund	**	338,375
*	Fidelity	Fidelity Freedom 2010 Fund	**	55,816
*	Fidelity	Fidelity Freedom 2020 Fund	**	1,270,101
*	Fidelity	Fidelity Freedom 2030 Fund	**	2,464,439
*	Fidelity	Fidelity Government Money Market Fund	**	1,393,704
*	Fidelity	Fidelity Freedom 2040 Fund	**	1,442,008
*	Fidelity	Fidelity Freedom 2005 Fund	**	148,653
*	Fidelity	Fidelity Freedom 2015 Fund	**	278,810
*	Fidelity	Fidelity Freedom 2025 Fund	**	2,111,650
*	Fidelity	Fidelity Freedom 2035 Fund	**	3,620,296
*	Fidelity	Fidelity Freedom 2045 Fund	**	935,911
*	Fidelity	Fidelity Freedom 2050 Fund	**	579,563
*	Fidelity	Fidelity Small Cap Enhanced Index Fund	**	767,422
*	Fidelity	Fidelity US Bond Index Fund	**	716,785
*	Fidelity	Fidelity 500 Index Fund	**	1,514,051
*	Fidelity	Fidelity Freedom 2055 Fund	**	369,793
*	Fidelity	Fidelity International Index Fund	**	161,693
*	Fidelity	Fidelity Freedom 2060 Fund	**	151,604
*	Fidelity	Fidelity Freedom 2065 Fund	**	12,322
	Total Mutual Funds			26,444,592
Notes receivable from participants				
*	Participant Loans	Interest rates ranging from 4.25% - 6.50%	-	519,411
				$ 26,964,003

* A party-in-interest as defined by ERISA.

* * Disclosure of this information is not required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA when the account is participant directed.

See Independent Auditor's Report on the Supplemental Schedule.

EXCELLIGENCE LEARNING CORPORATION 401(k) PLAN

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019

AND INDEPENDENT AUDITOR'S REPORT

EXCELLIGENCE LEARNING CORPORATION 401(k) PLAN

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HAYASHI | WAYLAND

INDEPENDENT AUDITOR'S REPORT

To the Participants and Plan Administrator
of the Excelligence Learning Corporation 401(k) Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of ***Excelligence Learning Corporation 401(k) Plan*** (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statements of changes in net assets available for benefits 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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Fidelity Management Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained a certification from the trustee as of December 31, 2020 and 2019, and for the years then ended, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

1188 PADRE DRIVE, STE 101, SALINAS, CA 93901 | PHONE: 831.759.6300 | FAX: 831.759.6380 | HW-CPA.COM
HAYASHI & WAYLAND ACCOUNTING & CONSULTING, LLP | LOCATIONS IN CARMEL, KING CITY, PASO ROBLES & SALINAS

Other Matter

The supplemental form 5500, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2020, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified or provided by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Hayashi Wayland, LLP

Salinas, California
October 12, 2021

EXCELLIGENCE LEARNING CORPORATION 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS:		
Investments, at fair value –		
Mutual funds	$ 26,444,592	$ 14,951,784
Total investments	26,444,592	14,951,784
Receivables –		
Notes receivable from participants	519,411	484,857
Total receivables	519,411	484,857
Total assets	26,964,003	15,436,641
LIABILITIES –		
Excess contributions payable	38,454	128,107
Total liabilities	38,454	128,107
NET ASSETS AVAILABLE FOR BENEFITS	$ 26,925,549	$ 15,308,534

See Notes to Financial Statements.

EXCELLIGENCE LEARNING CORPORATION 401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net appreciation in fair value of investments	$ 2,551,088	$ 2,019,693
Interest and dividends	1,192,062	707,563
Total investment income	3,743,150	2,727,256
Interest income on notes receivable from participants	33,116	25,666
Contributions:		
Participants	2,176,928	1,088,230
Rollovers	345,219	111,272
Employer	500,591	66,845
Total contributions	3,022,738	1,266,347
Total additions	6,799,004	4,019,269
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	3,286,388	2,013,153
Administrative expenses	15,838	3,943
Total deductions	3,302,226	2,017,096
NET INCREASE	3,496,778	2,002,173
TRANSFERS TO THE PLAN	8,120,237	–
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	15,308,534	13,306,361
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	$ 26,925,549	$ 15,308,534

See Notes to Financial Statements.

NOTE 1. DESCRIPTION OF PLAN

The following description of the Excelligence Learning Corporation 401(k) Plan is for general information purposes only. A Plan description is available from the Plan's sponsor, which outlines all of the significant Plan provisions. Interested parties should refer to the Plan agreement for more complete information.

General – The Plan is a defined contribution 401(k) plan adopted January 1, 1994 covering all permanent, non-union, and non-seasonal employees of Excelligence Learning Corporation, and the entities in the affiliated service group. The Plan allows participants to begin contributing to the Plan upon employment and reaching an Entry Date, which is defined as the first day of each month. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Participating employers who are covered by the provisions of the Plan are:

- Early Childhood, LLC
- Educational Products, Inc.
- Children's Factory, LLC
- ELC Distribution Center, LLC
- LifeCubby, LLC
- Childcare Education Institute
- Really Good Stuff, LLC
- Frog Street Press, LLC

Effective January 1, 2020, the Childcare Education Institute 401(k) Plan (Childcare), the Really Good Stuff, LLC 401(k) Savings Plan (RGS) and the Frog Street Press, LLC 401(k) Profit Sharing Plan (Frog Street) were merged into the Excelligence Learning Corporation 401(k) Plan. The participants from these plans and their related account balances totaling $8,120,237 were transferred into the Plan.

Contributions – Eligible employees may elect to contribute up to 60% of their eligible compensation, as pre-tax, Roth, or after-tax contributions, not to exceed the limits allowed by Section 415 and 401(k) of Internal Revenue Code. Participants may also contribute amounts representing distributions from other qualified plans. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants direct the investment of their contributions into various investment options offered by the Plan.

NOTE 1. **DESCRIPTION OF PLAN (Continued)**

Contributions (Continued) – Prior to January 1, 2020, the participating employers were able to make discretionary matching contribution on behalf of each eligible participant in accordance with the applicable matching percentage defined in their Plan document. On January 1, 2020 the Company elected to adopt safe-harbor provisions and match 100% of the deferral contributions up to a maximum of 4% of compensation. Due to the impact of Covid-19 on the Company's business operations, the match was discontinued effective May 1, 2020. For the years ended December 31, 2020 and 2019, the participating employers made matching contributions of $500,591 and $66,845, respectively.

Participant Accounts – Each participant's account is credited or debited with (1) the participant's contribution by payroll deduction, (2) a discretionary employer matching contribution (3) a portion of the net increase or decrease in the net value of the Plan investments, and (4) any loans made to or repaid by the participant. The allocation of Plan earnings is determined by using the valuation of trust assets on a daily basis. Participant accounts may be charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on the participant's eligible compensation, participant contributions, investment elections, specific participant transactions and/or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting – Participants are immediately vested in their voluntary contributions, safe harbor contributions, rollovers, and net earnings on these contributions. Beginning on January 1, 2020, participants also became fully vested in their matching contributions. Prior to January 1, 2020, vesting in the remainder of their account was based on years of continuous service, as defined in the Plan document.

Childcare participants that transferred into the Plan are vested in their prior profit sharing contributions as stated below:

Years of Service	Vested Percentage
1	20%
2	40%
3	60%
4	80%
5	100%

RGS and the Frog Street participants that transferred into the Plan are vested in their prior profit sharing contributions as stated below:

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

NOTE 1. **DESCRIPTION OF PLAN (Continued)**

Payment of Benefits – On termination of service due to death, disability, retirement, or other reasons a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account or installments. Participants may also elect to rollover their account to another tax deferred account or remain in the Plan until they are legally required to begin taking distributions. All vested account balances not exceeding $1,000 may be immediately distributed in a lump-sum payment. All vested account balances exceeding $1,000, but not exceeding $5,000, may be rolled into an Individual Retirement Account. With the plan administrator's approval, participants may withdraw all or part of their aggregate contributions in the event of financial hardship.

Participant Investment Options – Participants are allowed to invest in a variety of investment choices as more fully described in the Plan's literature. Participants may change their allocation on a daily basis.

Notes Receivable from Participants – Participants may apply to borrow from the Plan a minimum amount of $1,000 and a maximum equal to the lesser of $50,000, or, 50% of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loan fund. Loan funds may be repaid over any reasonable period, not to exceed the fifth anniversary of the date the funds were borrowed, with the exception of loans used for the purchase of a principal residence, which can be repaid over a period of up to 10 years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local economic conditions and rates being charged by local financial institutions for similar loans, as determined by the Plan Administrator. The interest rates in effect for the years ended December 31, 2020 and 2019 are based on the prevailing interest rates and ranged from 4.25% to 6.50%. Principal and interest are paid ratably through payroll deductions.

Forfeitures – When certain terminations of participation in the Plan occur, the nonvested portion of the participant's account, as defined by the Plan, represents a forfeiture. Forfeitures may first be used to pay administrative expenses of the Plan, as directed by the Employer. Forfeitures not used to reduce administrative expenses may be used to reduce Employer contributions. For the years ended December 31, 2020 and 2019 forfeited non-vested accounts totaled $49,191 and $12,020, respectively. Amounts used to reduce administrative expenses for the years ended December 31, 2020 and 2019 were $12,250 and $ –0–, respectively.

NOTE 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting – The financial statements of the Plan are prepared on the accrual basis of accounting, which is in conformity with accounting principles generally accepted in the United States of America.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Valuation of Investments and Income Recognition – Investments are stated at fair value as reported by Fidelity Management Trust Company, the Plan trustee. The fair values of the Plan's investments in mutual funds are based on the quoted market value of the underlying assets on the last business day of the Plan year.

Interest income is recognized as it is earned and dividends are recorded on the ex-dividend date.

Net appreciation in the fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the plan document.

Excess Contributions Payable – Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the excess contributions, if any, to the applicable participants prior to the March 15th deadline.

Payment of Benefits – Benefit payments to participants are recorded when paid.

Plan Expenses – Expenses to administer the Plan are paid from forfeited nonvested accounts. Expenses in excess of Plan forfeitures are paid by the participating employers and certain fees are allocated to the individual participant accounts.

Subsequent Events – The Plan Administrator has evaluated subsequent events through October 12, 2021, the date the financial statements were available to be issued.

Subsequent to the Plan's year-end, the coronavirus pandemic continued to result in volatility in financial markets, with the full impact continuing to evolve as of the date of this report.

NOTE 3. **CERTIFIED INFORMATION**

The Plan funds are held by Fidelity Management Trust Company, the Plan trustee. All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held and notes receivable from participants at December 31, 2020 and 2019 and interest, dividends, and net appreciation in the fair value of investments for the years then ended was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Plan trustee.

NOTE 3. CERTIFIED INFORMATION – (Continued)

The following table represents the fair value of investments that were certified by the Plan trustee at December 31.

	2020	2019
Investments at fair value – Mutual funds	$ 26,444,592	$ 14,951,784
Total investments	26,444,592	14,951,784
Notes receivable from participants	519,411	484,857
Total certified assets	$ 26,964,003	$ 15,436,641

The Plan trustee also certified to the completeness and accuracy of $2,551,088 and $2,019,693 of net appreciation in the fair value of investments and $1,225,178 and $733,229 of interest and dividends related to the aforementioned investments and notes receivable from participants for the years ended December 31, 2020 and 2019, respectively.

NOTE 4. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures,* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	$26,444,592	$ –	$ –	$26,444,592
Total investments at fair value	$26,444,592	$ –	$ –	$26,444,592

	Assets at Fair Value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds	$14,951,784	$ –	$ –	$14,951,784
Total investments at fair value	$14,951,784	$ –	$ –	$14,951,784

NOTE 5. RELATED-PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

Plan investments are invested in funds held by Fidelity Management Trust Company, the trustee as described by the Plan, therefore, certain transactions qualify as party-in-interest transactions. Fees paid to the Plan recordkeeper, Fidelity Investments Institutional, qualify as party-in-interest transactions and amount to $6,088 and $3,943 for the years ended December 31, 2020 and 2019, respectively. Fees paid by the Plan to the financial advisor, Silicon Valley Retirement Services, qualify as party-in-interest transactions and amount to $9,750 and $-0- for the years ended December 31, 2020 and 2019, respectively.

NOTE 6. PLAN TERMINATION

Although it has not expressed any intent to do so, Plan Management has the right under the plan document to discontinue its contributions at any time and to terminate this Plan subject to the provisions of ERISA. In the event of plan termination, each participant, retired participant, former participant and beneficiary shall be entitled to receive any amount credited to that person's account.

NOTE 7. TAX STATUS

The Plan has adopted a volume submitter plan sponsored by Fidelity Management & Research Company. The volume submitter plan provider has received an advisory letter from the Internal Revenue Service as to the volume submitter plan's qualified status. The volume submitter plan advisory letter has been relied upon by the Plan. The Plan has been amended since the volume submitter plan received the advisory letter. The Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 8. RISKS AND UNCERTAINTIES

The Plan invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of the investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

NOTE 9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Variations in the timing of the recognition of certain transactions affecting the Plan has resulted in differences between the financial statements and the Internal Revenue Service Form 5500. The following is a reconciliation of these differences:

	2020	2019
Net Assets available for benefits:		
Per audited financial statements	$ 26,925,549	$ 15,308,534
Loans deemed distributed	–	(66,978)
Excess contributions payable	38,454	128,107
Per Form 5500	$ 26,964,003	$ 15,369,663

NOTE 9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 – (Continued)

Net income:		
Per audited financial statements	$ 3,496,778	$ 2,002,173
Loans deemed distributed - beginning of year	66,978	(59,785)
Excess contributions payable - beginning of year	(128,107)	(44,046)
Excess contributions payable - end of year	38,454	128,107
Per Form 5500	$ 3,474,103	$ 2,026,449

NOTE 10. CARES AND SECURE ACTS

The Plan has implemented certain requirements by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for loan repayment, request a pre-approved CARES Act distribution of up to $100,000, suspend required minimum distributions, and delay the commencement date for required minimum distributions. The optional features within these acts, with the exception of the suspension of required minimum distributions, were adopted by the Plan during the plan year ended December 31, 2020. Written amendments to the Plan to reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

SUPPLEMENTAL SCHEDULE

EXCELLIGENCE LEARNING CORPORATION 401(k) PLAN
PLAN SPONSOR EIN: 77–0559897
PLAN NUMBER: 001
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2020

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity date	(d) Cost	(e) Current Value
Mutual Funds				
	Dodge & Cox	Dodge & Cox Income Fund	**	$ 425,943
	Vanguard	Vanguard International Value Fund	**	152,644
	Vanguard	Vanguard Equity Income Admiral Fund	**	699,217
	Vanguard	Vanguard International Growth Fund	**	1,446,824
	Vanguard	Vanguard Mid Cap Index Admiral Fund	**	178,685
	Vanguard	Vanguard Short Term Federal Admiral Fund	**	224,267
	Vanguard	Vanguard MDCPGR Index Admiral Fund	**	180,675
	Virtus Ceredex	Virtus Ceredex Mid Cap Value Equity Fund	**	1,059,041
*	Fidelity	Fidelity Contrafund Fund	**	3,467,866
*	Fidelity	Fidelity Mid Cap Stock Fund	**	276,434
*	Fidelity	Fidelity Freedom Income Fund	**	338,375
*	Fidelity	Fidelity Freedom 2010 Fund	**	55,816
*	Fidelity	Fidelity Freedom 2020 Fund	**	1,270,101
*	Fidelity	Fidelity Freedom 2030 Fund	**	2,464,439
*	Fidelity	Fidelity Government Money Market Fund	**	1,393,704
*	Fidelity	Fidelity Freedom 2040 Fund	**	1,442,008
*	Fidelity	Fidelity Freedom 2005 Fund	**	148,653
*	Fidelity	Fidelity Freedom 2015 Fund	**	278,810
*	Fidelity	Fidelity Freedom 2025 Fund	**	2,111,650
*	Fidelity	Fidelity Freedom 2035 Fund	**	3,620,296
*	Fidelity	Fidelity Freedom 2045 Fund	**	935,911
*	Fidelity	Fidelity Freedom 2050 Fund	**	579,563
*	Fidelity	Fidelity Small Cap Enhanced Index Fund	**	767,422
*	Fidelity	Fidelity US Bond Index Fund	**	716,785
*	Fidelity	Fidelity 500 Index Fund	**	1,514,051
*	Fidelity	Fidelity Freedom 2055 Fund	**	369,793
*	Fidelity	Fidelity International Index Fund	**	161,693
*	Fidelity	Fidelity Freedom 2060 Fund	**	151,604
*	Fidelity	Fidelity Freedom 2065 Fund	**	12,322
	Total Mutual Funds			26,444,592
Notes receivable from participants				
*	Participant Loans	Interest rates ranging from 4.25% - 6.50%	-	519,411
				$ 26,964,003

* A party-in-interest as defined by ERISA.

* * Disclosure of this information is not required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA when the account is participant directed.

See Independent Auditor's Report on the Supplemental Schedule.