

BEYOND 12 EDUCATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024



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BEYOND 12 EDUCATION, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Beyond 12 Education, Inc.
Oakland, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Beyond 12 Education, Inc. (a California nonprofit corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beyond 12 Education, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Beyond 12 Education, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Beyond 12 Education, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Beyond 12 Education, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Beyond 12 Education, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

Quincy, Massachusetts
December 5, 2025

BEYOND 12 EDUCATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 1,960,620	\$ 3,152,526
Accounts Receivable, Net	198,666	166,618
Grants Receivable, Net	2,976,903	2,064,415
Prepaid Expenses and Other Current Assets	150,733	181,296
Furniture and Equipment, Net	2,806	14,265
Operating Right-of-Use Asset	112,388	256,155
Deposits	20,918	20,918
Total Assets	<u>\$ 5,423,034</u>	<u>\$ 5,856,193</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 105,773	\$ 542,855
Payroll and Related Liabilities	193,856	239,437
Deferred Revenue	51,182	74,728
Operating Lease Liability	114,076	256,718
Program Related Investment (Long Term Debt)	800,000	800,000
Total Liabilities	<u>1,264,887</u>	<u>1,913,738</u>
NET ASSETS		
Without Donor Restrictions	99,804	103,636
With Donor Restrictions	4,058,343	3,838,819
Total Net Assets	<u>4,158,147</u>	<u>3,942,455</u>
Total Liabilities and Net Assets	<u>\$ 5,423,034</u>	<u>\$ 5,856,193</u>

See accompanying Notes to Financial Statements.

BEYOND 12 EDUCATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT						
Support:						
Grants and Contributions	\$ 2,194,144	\$ 3,396,131	\$ 5,590,275	\$ 3,305,169	\$ 3,870,089	\$ 7,175,258
In-Kind Contributions	989,935	-	989,935	949,970	-	949,970
Total Support	3,184,079	3,396,131	6,580,210	4,255,139	3,870,089	8,125,228
Program Service Fees:						
Coaching Services	1,146,318	-	1,146,318	980,995	-	980,995
Technology Platform	170,162	-	170,162	286,396	-	286,396
Interest and Other Income	4,409	-	4,409	9,079	-	9,079
Training Fees	500	-	500	9,623	-	9,623
Total Program Service Fees	1,321,389	-	1,321,389	1,286,093	-	1,286,093
Net Assets Released from Restriction	3,176,607	(3,176,607)	-	4,734,483	(4,734,483)	-
Total Revenues, Gains, and Other Support	7,682,075	219,524	7,901,599	10,275,715	(864,394)	9,411,321
FUNCTIONAL EXPENSES						
Program Services:						
Technology Platform	2,552,272	-	2,552,272	4,028,769	-	4,028,769
Coaching Services	3,699,114	-	3,699,114	4,683,687	-	4,683,687
Total Program Services	6,251,386	-	6,251,386	8,712,456	-	8,712,456
Support Services:						
Management and General	1,044,877	-	1,044,877	1,488,786	-	1,488,786
Fundraising	389,644	-	389,644	367,573	-	367,573
Total Support Services	1,434,521	-	1,434,521	1,856,359	-	1,856,359
Total Functional Expenses	7,685,907	-	7,685,907	10,568,815	-	10,568,815
CHANGE IN NET ASSETS	(3,832)	219,524	215,692	(293,100)	(864,394)	(1,157,494)
Net Assets - Beginning of Year	103,636	3,838,819	3,942,455	396,736	4,703,213	5,099,949
NET ASSETS - END OF YEAR	<u>\$ 99,804</u>	<u>\$ 4,058,343</u>	<u>\$ 4,158,147</u>	<u>\$ 103,636</u>	<u>\$ 3,838,819</u>	<u>\$ 3,942,455</u>

See accompanying Notes to Financial Statements.

BEYOND 12 EDUCATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services			Support Services			
	Technology Platform	Coaching Services	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries and Benefits:							
Salaries	\$ 1,218,899	\$ 2,011,375	\$ 3,230,274	\$ 518,226	\$ 271,404	\$ 789,630	\$ 4,019,904
Benefits	119,650	254,654	374,304	57,385	33,153	90,538	464,842
Payroll Taxes	95,029	161,180	256,209	35,089	16,783	51,872	308,081
Total Salaries and Benefits	1,433,578	2,427,209	3,860,787	610,700	321,340	932,040	4,792,827
Professional Fees	630,341	837,772	1,468,113	238,421	8,168	246,589	1,714,702
Technology Costs	304,214	23,342	327,556	67,059	3,576	70,635	398,191
Occupancy	56,544	101,230	157,774	24,737	12,674	37,411	195,185
Advertising	-	149,976	149,976	-	-	-	149,976
Supplies and Miscellaneous	24,615	43,079	67,694	49,567	1,746	51,313	119,007
Travel and Conferences	23,030	27,900	50,930	15,078	34,233	49,311	100,241
Telephone	14,115	25,324	39,439	12,449	1,740	14,189	53,628
Sub-Grant	50,000	-	50,000	-	-	-	50,000
Recruitment and Training	1,253	38,795	40,048	7,220	-	7,220	47,268
Insurance	10,473	17,529	28,002	3,940	2,021	5,961	33,963
Dues and Publications	-	-	-	13,955	3,225	17,180	17,180
Depreciation	4,109	6,958	11,067	1,751	921	2,672	13,739
Total	<u>\$ 2,552,272</u>	<u>\$ 3,699,114</u>	<u>\$ 6,251,386</u>	<u>\$ 1,044,877</u>	<u>\$ 389,644</u>	<u>\$ 1,434,521</u>	<u>\$ 7,685,907</u>

See accompanying Notes to Financial Statements.

BEYOND 12 EDUCATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services			Support Services			
	Technology Platform	Coaching Services	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries and Benefits:							
Salaries	\$ 2,381,629	\$ 2,832,976	\$ 5,214,605	\$ 549,368	\$ 268,050	\$ 817,418	\$ 6,032,023
Benefits	195,656	316,444	512,100	54,064	28,458	82,522	594,622
Payroll Taxes	181,081	225,680	406,761	39,441	16,500	55,941	462,702
Total Salaries and Benefits	2,758,366	3,375,100	6,133,466	642,873	313,008	955,881	7,089,347
Professional Fees	667,309	989,467	1,656,776	573,196	19,883	593,079	2,249,855
Technology Costs	354,352	17,159	371,511	2,022	3,065	5,087	376,598
Occupancy	95,814	147,274	243,088	22,289	10,852	33,141	276,229
Supplies and Miscellaneous	57,916	26,072	83,988	173,202	1,220	174,422	258,410
Travel and Conferences	43,684	29,043	72,727	13,352	15,371	28,723	101,450
Recruitment and Training	3,245	36,011	39,256	16,754	-	16,754	56,010
Telephone	22,656	31,471	54,127	18,954	1,450	20,404	74,531
Depreciation	11,472	14,037	25,509	2,674	1,302	3,976	29,485
Insurance	13,955	18,053	32,008	3,020	1,422	4,442	36,450
Dues and Publications	-	-	-	20,450	-	20,450	20,450
Total	<u>\$ 4,028,769</u>	<u>\$ 4,683,687</u>	<u>\$ 8,712,456</u>	<u>\$ 1,488,786</u>	<u>\$ 367,573</u>	<u>\$ 1,856,359</u>	<u>\$ 10,568,815</u>

See accompanying Notes to Financial Statements.

BEYOND 12 EDUCATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 215,692	\$ (1,157,494)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Used by Operating Activities:		
Depreciation	13,739	29,485
(Increase) Decrease in Assets:		
Accounts Receivable	(32,048)	141,735
Grants Receivable	(912,488)	1,412,934
Prepaid Expenses and Other Current Assets	30,563	(37,264)
Operating Right-of-Use Asset	143,767	(72,007)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(437,082)	317,193
Payroll and Related Liabilities	(45,581)	(47,304)
Deferred Revenue	(23,546)	(29,801)
Operating Lease Liability	(142,642)	70,220
Net Cash Provided (Used) by Operating Activities	<u>(1,189,626)</u>	<u>627,697</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Furniture and Equipment	<u>(2,280)</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(2,280)</u>	<u>-</u>
NET CHANGE IN CASH	<u>(1,191,906)</u>	<u>627,697</u>
Cash - Beginning of Year	<u>3,152,526</u>	<u>2,524,829</u>
CASH - END OF YEAR	<u><u>\$ 1,960,620</u></u>	<u><u>\$ 3,152,526</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
In-Kind Contributions	<u><u>\$ 989,935</u></u>	<u><u>\$ 949,970</u></u>

See accompanying Notes to Financial Statements.

BEYOND 12 EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 NATURE OF OPERATIONS

Organization

Beyond 12 Education, Inc. (Beyond 12) was incorporated on November 6, 2009 as a 501(c)(3) nonprofit corporation under the laws of the state of California. Beyond 12 maintains its headquarters in Oakland, California and has an additional office in Atlanta, Georgia.

Beyond 12 is a national technology-based nonprofit whose mission is to increase the number of students from under-resourced communities who graduate from U.S. colleges and universities, and translate their degrees into meaningful employment and choice-filled lives. Through a digital coaching platform that combines human coaches who work with students virtually while they are in college, a campus-customized app called MyCoach that reminds students of key deadlines, and a predictive and prescriptive analytics engine, Beyond 12 helps institutions provide their students with the academic, social, and emotional support they need to succeed in higher education and beyond.

Beyond 12 envisions a world in which every student has the opportunity to earn a postsecondary degree that allows them to provide for their families, contribute to society, and break the cycle of poverty for future generations. When this vision is realized, the organization will have closed the college completion gap between students in the top and bottom income quartiles, ensuring that at least three-quarters of all students can earn a high-quality postsecondary degree or credential by their mid-20s. Consequently, a student's race, zip code, and parents' level of education will no longer predict their college graduation outcomes or their future success.

Programs and Services

Organized around an evidence-based curriculum – including customized content on academic success, financial stability, accessing campus resources, achieving life balance, building social capital, and career planning – Beyond 12's coaching program helps identify and address the systemic and structural barriers students face before those challenges lead them to drop out. Beyond 12 advances its mission through a comprehensive platform with three components:

- **Virtual Coaching:** Beyond 12 hires full-time coaches who support students virtually (via video chat, text, phone, email, and social media) beginning the summer after their senior year of high school and typically lasting through their college journey. Coaches are "near peers" and many are the first in their families to graduate from college, so they understand firsthand the challenges students experience on the road to earning a college degree. Coaches interact with students for 30-minute sessions that occur bi-monthly or monthly, depending on a student's needs and risk profile

BEYOND 12 EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 NATURE OF OPERATIONS (CONTINUED)

Programs and Services (Continued)

- **Mobile Coaching:** A campus-customized mobile app, MyCoach, reminds students of the activities, deadlines, and behaviors that lead to success, translating essential college tasks into actionable, bite-sized steps. The content and nudges are continually strengthened over time, drawing on inputs from coaching interactions, self-reported student data, and additional data provided by Beyond 12's partners.
- **Predictive and Prescriptive Analytics:** Beyond 12's coaching tools are tied to a back-end analytics engine that uses machine learning to predict a student's likelihood of dropping out. Trained on historical Beyond 12 student data, up-to-date institutional data, and a student's own performance data, Beyond 12's predictive model generates point-in-time predictions of a student's likelihood of re-enrolling in the next term. While most analyses in the field stop at predicting risk, Beyond 12 has also built a prescriptive model based on students' behavioral and attitudinal characteristics (e.g., comfort with technology, growth mindset, self-awareness, and self-confidence) that provides actionable insights about specific student risk areas as well as possible interventions to address students' challenges.

With these models, Beyond 12 is able to better predict which students need help and when, prescribe and provide the right type of support, and share actionable insights with coaches, partners, and the field.

Revenue Model and Sustainability

Beyond 12 uses a blended revenue strategy to sustain and advance its work. In addition to philanthropy, Beyond 12 has a fee-for-service model in which secondary and post-secondary institutions pay for student coaching, technology subscription, and training fees. Students do not pay for services. Beyond 12's goal is to eventually become a self-sustaining organization whereby its earned income will cover most program and operating costs. Beyond 12 will continue to seek philanthropic investments to cover the costs of major technology redesigns and upgrades, as well as programmatic and operational growth, research and development, and special projects.

Current Partners

Beyond 12 is currently working with over 30 high schools, college success and scholarship organizations, and colleges, tracking the postsecondary progress of more than 75,000 college students on its platform and coaching over 4,000 students. Beyond 12's partners include organizations such as Achieve Atlanta, Boost@Berkeley Haas, Breakthrough Greater Boston, Chime Scholars Foundation, the ECMC Scholar Program, Oakland Promise, One Goal, Richmond Promise, TheDream.US, and San Diego Miramar College, among others.

BEYOND 12 EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Financial Statement Presentation

The financial statements of Beyond 12 have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Beyond 12 records resources for accounting and reporting purposes into two net asset categories: with donor restrictions and without donor restrictions, based on the existence or absence of donor-imposed restrictions.

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed restrictions. Such net assets are available for any purpose consistent with Beyond 12's mission, which generally include those assets over which the board of directors has discretionary control in carrying out the operations of Beyond 12.

Net Assets With Donor Restrictions – Net assets subject to specific, donor-imposed restrictions that must be met by actions of Beyond 12 and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as releases from restriction. Other donor-imposed restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were no restricted net assets that were required to be maintained in perpetuity.

Program Service Fee Revenue

Beyond 12 recognizes revenue at an amount that reflects the consideration to which Beyond 12 expects to be entitled in exchange for transferring goods or services to its customers using the following five-step process:

1. Identify the contract(s) with the customer
2. Identify the performance obligation in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligation in the contract
5. Recognize revenue when (or as) Beyond 12 satisfies a performance obligation.

See Note 9 for details on how the above five-step process is applied to Beyond 12's contracts with customers.

BEYOND 12 EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contributions Revenue

Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of return of assets) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor.

Conditional pledges are not included as support until the conditions are substantially met. At June 30, 2025 and 2024, Beyond 12 had been awarded \$635,000 and \$550,000, respectively, in conditional grants that will be recorded as the conditions are met.

Contributions, grants, and awards that are promised in one year but are not expected to be collected until after the end of the year promised are considered contributions and grants receivable and are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution and grants and award revenue, as appropriate, in accordance with any donor-imposed restrictions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and current aging of contributions receivable.

Contributed Nonfinancial Assets

Donated materials and equipment are recorded based on the estimated fair value at the date the contribution is made. Donated services are recognized as contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would be purchased if not donated.

Cash and Cash Equivalents

Beyond 12 considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2025 or 2024.

Concentration of Credit Risk

Beyond 12 maintains its cash balances with high quality institutions. Periodically, such amounts may exceed federally insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2025 and 2024 Beyond 12 had approximately \$1,652,107 and \$2,891,810, respectively, in excess of FDIC insurance limits. To date, Beyond 12 has not experienced any losses in such accounts.

Beyond 12 has not experienced significant losses related to accounts or grants receivable. Therefore, management believes there is no additional credit risk, beyond amounts provided for doubtful accounts, related to accounts and grants receivable.

BEYOND 12 EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable consist primarily of program fees and are stated at the amount that Beyond 12 expects to collect. Beyond 12 carries its accounts receivable net of an allowance of credit losses. The allowance is determined to present the net amount of accounts receivable expected to be collected. The allowance represents the estimate of expected credit losses based on historical experience, current economic conditions, and certain forward-looking information. No allowance was recorded at June 30, 2025. An allowance of \$1,337 was recorded at June 30, 2024. Receivables are written off when management has exhausted collections efforts and deems the accounts uncollectible.

Furniture and Equipment

Furniture and equipment are carried at cost or, if donated, at the estimated fair value on the date of the gift. Furniture and equipment are depreciated on a straight-line basis over their estimated useful lives. Only major replacements and improvements with a cost in excess of \$1,000 are capitalized. Maintenance and repair costs which do not improve or extend the lives of the respective assets are expensed as incurred.

Depreciation of furniture and equipment is computed using a useful life ranging from three to seven years.

Leases

Beyond 12 determines if an arrangement is a lease at inception. Operating leases are included in lease right-of-use (ROU) asset, and lease right-of-use (ROU) liability on the statements of financial position.

ROU assets represent Beyond 12's right to use an underlying asset for the lease term and lease liabilities represent Beyond 12's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, Beyond 12 uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that Beyond 12 will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Beyond 12 has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

Beyond 12 has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

BEYOND 12 EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Beyond 12's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, Beyond 12 has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Certain costs have been allocated among the program and supporting services based on management's estimates. Salaries and benefits are allocated based on time and effort. Occupancy, insurance, and depreciation and amortization are allocated based on the salary and benefits allocation percentages.

Income Taxes

Beyond 12 is a qualified organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Beyond 12 recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Beyond 12 has evaluated its current tax position and has concluded that as of June 30, 2025, it does not have any significant uncertain tax positions for which a reserve would be necessary.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revisions

Certain revisions of amounts previously reported have been made to the notes to the financial statements. In footnote 13 of the financial statements, the disclosure of total financial assets available for general expenditures for the prior year has been revised from \$1,544,740 to \$1,893,358. The revision had no impact on previously reported net assets.

Subsequent Events

Management has evaluated subsequent events through December 5, 2025, the date the financial statements were available to be issued.

BEYOND 12 EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 GRANTS RECEIVABLE

Grants receivable consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Grants Receivable Before Unamortized Discount	\$ 3,055,000	\$ 2,090,797
Less: Unamortized Discount (3.68% - 3.72%)	<u>(78,097)</u>	<u>(26,382)</u>
Grants Receivable, Net	<u>\$ 2,976,903</u>	<u>\$ 2,064,415</u>

Grants receivables are due as follows as of June 30:

<u>Year Ending June 30.</u>	<u>Amount</u>
2026	\$ 1,555,000
2027	1,000,000
2028	<u>500,000</u>
Total	<u>\$ 3,055,000</u>

NOTE 4 FURNITURE AND EQUIPMENT, NET

Furniture and equipment consisted of the following:

	<u>2025</u>	<u>2024</u>
Furniture and Equipment	\$ 210,993	\$ 208,713
Less: Accumulated Depreciation	<u>(208,187)</u>	<u>(194,448)</u>
Furniture and Equipment, Net	<u>\$ 2,806</u>	<u>\$ 14,265</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$13,739 and \$29,485, respectively.

NOTE 5 REVOLVING NOTE PAYABLE

Beyond 12 has a revolving note agreement with a bank for borrowings up to \$750,000 through the expiration date of August 2, 2025. This note bears interest at the Wall Street Journal Prime Rate. Subsequent to year end, the note was renewed at the same terms through a new expiration date of December 2, 2025.

As of June 30, 2025 and 2024 there were no amounts outstanding on the note.

NOTE 6 LEASES

Beyond 12 leases office space in Oakland, California under a noncancelable operating lease that will expire in March 2026. Beyond 12 also leases another office space on a month-to-month basis in Atlanta, Georgia.

BEYOND 12 EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 LEASES (CONTINUED)

The following table provides quantitative information concerning Beyond 12's leases.

	<u>2025</u>	<u>2024</u>
Operating Lease Expense	\$ 152,250	\$ 38,063
Short Term Lease Expense	14,460	10,072
Total Lease Expense	<u>\$ 166,710</u>	<u>\$ 48,135</u>

Supplemental Cash Flow Information:

Cash Paid for Amounts Included in the

Measurement of Lease Liabilities:

Operating Cash Flows From Operating Leases	\$ 151,125	\$ 37,500
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Right-of-Use Assets Obtained in Exchange for

New Operating Lease Liabilities	\$ -	\$ 291,065
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Weighted Average Remaining Lease Term:

Operating Leases	0.8 years	1.8 years
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Weighted-Average Discount Rate:

Operating Leases	4.7%	4.7%
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Beyond 12 classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual cash flows for lease liabilities as of June 30, 2025 is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	<u>\$ 115,875</u>
Total Lease Payments	115,875
Less: Interest	<u>(1,799)</u>
Present Value of Lease Liabilities	<u>\$ 114,076</u>

NOTE 7 LONG TERM DEBT

On December 19, 2022, Beyond 12 entered into an unsecured loan agreement with a current funder, ECMC Foundation, totaling \$800,000 to scale their sales and marketing function to achieve strategic goals. The loan bears interest at a rate of 2% per year after an initial 60-day grace period. The loan requires quarterly interest payments due within 10 days of the end of each quarter. Any outstanding principal balance will be paid in substantially equal installments on December 19, 2030, 2031, and 2032. Interest expense for the years ended June 30, 2025 and 2024 was \$16,000 and \$16,044, respectively.

BEYOND 12 EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30:

	2025	2024
Time Restrictions	\$ 25,000	\$ 348,618
Subject to Expenditure for Specified Purpose:		
Coaching Services	2,778,596	2,600,250
Technology Platform	1,254,747	889,951
Total Net Assets With Donor Restrictions	<u>\$ 4,058,343</u>	<u>\$ 3,838,819</u>

Net assets with donor restrictions released from restriction during the years ended were as follows:

	2025	2024
Expiration of Time Restrictions	\$ 375,000	\$ 725,000
Satisfaction of Purpose Restrictions:		
Coaching Services	901,842	3,606,434
Technology Platform	1,884,765	378,049
Organization Development	15,000	25,000
Total Net Assets Released from Restrictions	<u>\$ 3,176,607</u>	<u>\$ 4,734,483</u>

NOTE 9 REVENUE FROM CONTRACTS WITH CUSTOMERS

Beyond 12 provides technology platform and coaching services to schools, programs, and students. Recipients of these services pay upon execution of the services defined in the specified contract. Beyond 12 recognizes income over time from the program as performance obligations are satisfied. A contract liability is recorded at year-end for any performance obligations that have not been satisfied.

All contract liabilities recognized as of June 30, 2025 and 2024 are recognized as revenue in the following fiscal year. Contracts with payment in arrears are recognized as receivables.

	Receivables	Contract Liability - Deferred Revenue
Opening (July 1, 2023)	\$ 308,353	\$ 104,529
Closing (June 30, 2024)	166,618	74,728
Change	<u>(141,735)</u>	<u>(29,801)</u>
Opening (July 1, 2024)	166,618	74,728
Closing (June 30, 2025)	198,666	51,182
Change	<u>\$ 32,048</u>	<u>\$ (23,546)</u>

BEYOND 12 EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 CONCENTRATIONS

Contributions received from three donors accounted for 65% of total grants and contribution revenue for the year ended June 30, 2025. At June 30, 2025, pledges from three donors accounted for 98% of Beyond 12's grants receivable.

Contributions received from three donors accounted for 63% of total grants and contribution revenue for the year ended June 30, 2024. At June 30, 2024, pledges from three donors accounted for 86% of Beyond 12's grants receivable.

NOTE 11 RELATED PARTY TRANSACTIONS

Contribution revenue recognized from members of Beyond 12's board of directors amounted to approximately \$45,700 and \$84,250 for the years ended June 30, 2025 and 2024, respectively.

NOTE 12 RETIREMENT PLAN

Beyond 12 has a qualified tax-deferred retirement plan. Eligible employees may defer up to 100% of their salary to the current year maximum, as allowed by the Internal Revenue Service. There were no contributions made by the employer for the years ended June 30, 2025 and 2024.

NOTE 13 LIQUIDITY AND AVAILABILITY

As part of Beyond 12's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To meet liquidity needs, Beyond 12 has cash and cash equivalents available. Grants receivable that are considered current will be collected within one year from the date of the statement of financial position.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date are comprised of the following:

	2025	2024
Cash	\$ 1,960,620	\$ 3,152,526
Accounts Receivable	198,666	166,618
Grants Receivable	2,976,903	2,064,415
Total	5,136,189	5,383,559
Less: Amounts Not Available Due to Purpose Restrictions and Time Restrictions Beyond One Year	(4,033,343)	(3,490,201)
Total Financial Assets Available Within One Year	<u>\$ 1,102,846</u>	<u>\$ 1,893,358</u>

Beyond 12 also has a revolving note payable (see Note 5) it could draw upon in the event of an unanticipated liquidity need.

BEYOND 12 EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 14 CONTRIBUTED NONFINANCIAL ASSETS

During the year ended June 30, 2025, Beyond 12 received \$839,959 of in-kind legal services as well as \$149,976 of free online advertising services. In evaluating the legal services, fair value is based on time and effort billings of the legal firm. In evaluating the advertising services, fair value is based on market rate which would have been charged if the services had been purchased. During the year ended June 30, 2024, Beyond 12 received \$949,970 of in-kind legal services. The legal services provided in both years relate to normal business matters such as licensing and corporate governance. Beyond 12 estimated the fair value of the services based on time and effort of the services provided.

