

TeachUNITED, Inc.

(a nonprofit Colorado corporation)

Financial Statements

December 31, 2025 and 2024

TeachUNITED, Inc.

Table of Contents

Independent Auditor's Report	Pages 1-2
Statements of Financial Position December 31, 2025 and 2024	Page 3
Statement of Activities Year ended December 31, 2025	Page 4
Statement of Activities Year ended December 31, 2024	Page 5
Statement of Functional Expenses Year ended December 31, 2025	Page 6
Statement of Functional Expenses Year ended December 31, 2024	Page 7
Statements of Cash Flows Years ended December 31, 2025 and 2024	Page 8
Notes to Financial Statements	Pages 9-14

Independent Auditor's Report

To the Board of Directors
TeachUNITED, Inc.
Fort Collins, Colorado

Opinion

We have audited the financial statements of TeachUNITED, Inc. (a Colorado nonprofit organization), which comprise the statements of financial position as of December 31, 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 accompanying financial statements present fairly, in all material respects, the financial position of TeachUNITED, Inc. as of December 31, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TeachUNITED, 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 these 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 TeachUNITED, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditor's Report (continued)

Auditor's Responsibility 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 auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 TeachUNITED, 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 TeachUNITED, 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.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Boulder, Colorado
September 11, 2026

TeachUNITED, Inc.

Statements of Financial Position

December 31	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,447,939	\$ 814,011
Accounts receivable	-	27,030
Grants and contributions receivable	-	54,517
Total current assets	<u>\$ 1,447,939</u>	<u>\$ 895,558</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 8,626	\$ 8,812
Refundable advances	-	40,000
Deferred revenue	36,000	-
Total current liabilities	<u>44,626</u>	<u>48,812</u>
Net Assets		
Without donor restrictions	165,931	457,677
With donor restrictions	1,237,382	389,069
Total net assets	<u>1,403,313</u>	<u>846,746</u>
Total liabilities and net assets	<u>\$ 1,447,939</u>	<u>\$ 895,558</u>

The accompanying Notes are an integral
part of these financial statements

Page 3

TeachUNITED, Inc.

Statement of Activities

Year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Grants and contributions	\$ 713,497	\$ 1,576,717	\$ 2,290,214
Net assets released from restrictions			
Satisfaction of purpose restrictions	673,887	(673,887)	-
Expiration of time restrictions	54,517	(54,517)	-
Total operating support	<u>1,441,901</u>	<u>848,313</u>	<u>2,290,214</u>
Operating Revenue			
Program service fees	<u>20,687</u>	<u>-</u>	<u>20,687</u>
Total operating support and revenue	<u>1,462,588</u>	<u>848,313</u>	<u>2,310,901</u>
Operating Expenses			
Program services	1,147,475	-	1,147,475
Supporting services			
General and administrative	328,636	-	328,636
Fundraising	308,464	-	308,464
Total operating expenses	<u>1,784,575</u>	<u>-</u>	<u>1,784,575</u>
Total operating support and revenue in excess (deficit) of operating expenses	<u>(321,987)</u>	<u>848,313</u>	<u>526,326</u>
Other Changes			
Interest income	<u>30,241</u>	<u>-</u>	<u>30,241</u>
Change in Net Assets	<u>(291,746)</u>	<u>848,313</u>	<u>556,567</u>
Net Assets, Beginning of Year	<u>457,677</u>	<u>389,069</u>	<u>846,746</u>
Net Assets, End of Year	<u>\$ 165,931</u>	<u>\$ 1,237,382</u>	<u>\$ 1,403,313</u>

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Page 4

TeachUNITED, Inc.

Statement of Activities

Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Grants and contributions	\$ 861,870	\$ 309,069	\$ 1,170,939
Net assets released from restrictions			
Satisfaction of purpose restrictions	371,581	(371,581)	-
Expiration of time restrictions	227,083	(227,083)	-
Total operating support	1,460,534	(289,595)	1,170,939
Operating Revenue			
Program service fees	573,924	-	573,924
Total operating support and revenue	2,034,458	(289,595)	1,744,863
Operating Expenses			
Program services	1,043,247	-	1,043,247
Supporting services			
General and administrative	436,645	-	436,645
Fundraising	302,803	-	302,803
Total operating expenses	1,782,695	-	1,782,695
Change in Net Assets	251,763	(289,595)	(37,832)
Net Assets, Beginning of Year	205,914	678,664	884,578
Net Assets, End of Year	\$ 457,677	\$ 389,069	\$ 846,746

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part of these financial statements

Page 5

TeachUNITED, Inc.

Statement of Functional Expenses

Year ended December 31, 2025

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries and wages	\$ 372,427	\$ 210,290	\$ 244,748	\$ 827,465
Payroll taxes	30,235	15,364	19,077	64,676
Employee benefits	31,282	16,808	22,461	70,551
Total personnel costs	433,944	242,462	286,286	962,692
Contract labor	645,669	38,400	19,313	703,382
Travel	39,361	7,113	-	46,474
Legal and professional	600	28,147	-	28,747
Dues and fees	6,718	2,915	1,965	11,598
Occupancy	2,310	7,950	-	10,260
Other program expenses	7,308	37	-	7,345
Technology and communication	7,227	-	-	7,227
Insurance	825	631	657	2,113
Miscellaneous	1,598	-	125	1,723
Office expense	468	938	118	1,524
Bank and credit card fees	692	43	-	735
Advertising and marketing	654	-	-	654
Printing and postage	101	-	-	101
Total operating expenses	<u>\$ 1,147,475</u>	<u>\$ 328,636</u>	<u>\$ 308,464</u>	<u>\$ 1,784,575</u>

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part of these financial statements

Page 6

TeachUNITED, Inc.

Statement of Functional Expenses

Year ended December 31, 2024

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries and wages	\$ 485,650	\$ 286,701	\$ 244,411	\$ 1,016,762
Payroll taxes	89,875	22,357	18,731	130,963
Employee benefits	58,066	30,038	32,842	120,946
Total personnel costs	633,591	339,096	295,984	1,268,671
Contract labor	318,100	33,800	-	351,900
Other program expenses	45,693	-	107	45,800
Travel	19,674	23,034	-	42,708
Legal and professional	4,514	27,867	-	32,381
Occupancy	7,194	8,072	-	15,266
Dues and fees	3,128	3,164	5,739	12,031
Technology and communication	3,904	-	-	3,904
Miscellaneous	3,666	50	-	3,716
Insurance	924	930	597	2,451
Bank and credit card fees	1,544	109	-	1,653
Office expense	910	506	15	1,431
Printing and postage	105	17	361	483
Advertising and marketing	300	-	-	300
Total operating expenses	<u>\$ 1,043,247</u>	<u>\$ 436,645</u>	<u>\$ 302,803</u>	<u>\$ 1,782,695</u>

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part of these financial statements

Page 7

TeachUNITED, Inc.

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2025	2024
Cash Flows From Operating Activities		
Change in net assets	\$ 556,567	\$ (37,832)
Increase (decrease) from changes in assets and liabilities		
Accounts receivable	27,030	57,970
Grants and contributions receivable	54,517	220,483
Accounts payable	(186)	2,990
Refundable advances	(40,000)	(8,199)
Deferred revenue	36,000	(77,800)
Net cash provided by operating activities	<u>633,928</u>	<u>157,612</u>
Net Increase in Cash and Cash Equivalents	633,928	157,612
Cash and Cash Equivalents, Beginning of Year	<u>814,011</u>	<u>656,399</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,447,939</u></u>	<u><u>\$ 814,011</u></u>

The accompanying Notes are an integral
part of these financial statements

Page 8

TeachUNITED, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. TeachUNITED, Inc. ("the Organization") was established in 2016 as a Colorado nonprofit corporation dedicated to mobilizing local teachers as a solution to a complex, urgent global challenge. The mission of the Organization is to coach and empower rural and underserved teachers to prepare the next generation of students with the skills to graduate, earn more income, and disrupt cycles of poverty. The Organization's revenues and other support are derived principally from charitable grants and contributions from interested parties and program service fees.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated by receiving contributions that have no donor stipulations, providing services, and receiving interest and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

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

Cash and Cash Equivalents. Cash consists of checking, savings and money market accounts held at various financial institutions. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Credit Losses. Accounts receivable are stated at the amount of consideration from customers, of which the Organization has an unconditional right to receive. The Organization provides services to government entities and other not-for-profits and its accounts receivable are primarily derived from program service fees. The Organization grants credit in the normal course of business to customers and recognizes an expected allowance for credit losses to reduce credit risk. At each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible.

TeachUNITED, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Accounts Receivable and Allowance for Credit Losses (continued). The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's customers have remained fairly constant for many years. Management believes all accounts receivables are fully collectible, and accordingly, no allowance for credit losses has been recorded.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in revenue. The total amount of write-offs was immaterial to the financial statements as a whole for the years ending December 31, 2025 and 2024.

Grants and Contributions Receivable. Unconditional promises to give are recognized as revenue in the period received. Grants and contributions receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible grants and contributions. The allowance for uncollectible grants and contributions is estimated based on management's review of specific grants and contributions outstanding. As of December 31, 2024, management believes all grants and contributions receivable are fully collectible, and accordingly, no allowance for doubtful grants and contributions has been recorded. There are no grants or contributions receivable as of December 31, 2025. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received.

Leases and Right-of-Use Assets. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The Organization made a policy election not to separate lease and nonlease components for all leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable, or otherwise, the Organization uses its incremental borrowing rate based on the information available at the commencement date for all leases to discount certain lease asset class obligations. The Organization has also elected to exclude leases with terms of 12 months or less from right-of-use asset and operating lease obligation recognition.

Grants and Contributions. Unconditional grants and contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

TeachUNITED, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Grants and Contributions (continued). Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service. Donor restricted grants and contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Conditional grants and contributions are recognized when the conditions on which they depend are substantially met. Funding received in advance of fulfilling the conditions and refundable to the donor are reported as refundable advances in the statements of financial position.

Contributed Services and Materials. Contributed services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed materials are reported at fair market value on the date of gift.

Revenue Recognition. The Organization earns revenue from contracts with customers through primarily providing program services, which includes consulting on the design and facilitation of the learning model aimed at achieving positive change in communities. The Organization's customers are primarily local governments and other nonprofits. The Organization's contracts typically include a single performance obligation to perform agreed upon services with specified reporting deliverables, which generally occur within a single fiscal year.

Program service fee revenue is recognized over time as the Organization's customers simultaneously receive and consume the benefits of the Organization's performance. The Organization typically provides program services under fixed fee arrangements which are billed based on milestones of the contract and are due within 30 days of submission. Amounts that have been invoiced are recorded in accounts receivable and in either deferred revenue or revenue, depending on whether the revenue recognition criteria have been met. The Organization generally does not experience changes in the transaction price subsequent to the inception of its contracts.

Program service fee revenue recognized under contracts with customers for the years ended December 31, 2025 and 2024 was \$20,687 and \$573,924, respectively. The Organization had accounts receivable representing net billed amounts due on contracts with customers of \$27,030 and \$85,000 as of December 31, 2024, and January 1, 2024, respectively. The Organization did not have any accounts receivable as of December 31, 2025. The Organization did not have any contract assets associated with program service fees as of December 31, 2025 and 2024, or as of January 1, 2024. The Organization occasionally collects fees in advance of services being provided, which are recorded as deferred revenue (contract liabilities) on the statement of financial position, and recorded as services are provided above. The Organization had \$36,000 and \$77,800 of contract liabilities as of December 31, 2025 and January 1, 2024, respectively. The Organization did not have any contract liabilities as of December 31, 2024. Contract liabilities are generally recognized as revenue during the following year.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

TeachUNITED, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Functional Allocation of Expenses. The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through September 11, 2026, the date at which the financial statements were available for release.

Note 2 – Liquidity and Availability

The Organization's financial assets available for general expenditures within one year are as follows at December 31:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	\$ 1,447,939	\$ 814,011
Accounts receivable	-	27,030
Grants and contributions receivable	-	54,517
	<u>\$ 1,447,939</u>	<u>\$ 895,558</u>

The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Organization forecasts its future cash flows and monitors its liquidity monthly. During the years ended December 31, 2025 and 2024, the level of liquidity and reserves was managed within the guiding principles.

Note 3 – Conditional Promises to Give

The Organization has been awarded grants totaling \$2,319,613. The agreements require satisfactory progress towards completion of conditions by the Organization prior to receiving future payments. Grant revenue recognized through 2025 totaled \$1,013,756, and the remaining balance to be earned is expected to be received through January 2029 upon completion of the objectives.

TeachUNITED, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

Note 4 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the years ended December 31, 2025 and 2024:

	Purpose Restrictions			
	Teaching and Alumni	Education, Support, and Development	Time Restrictions	Total
Balance, January 1, 2024	\$ 301,581	\$ 150,000	\$ 227,083	\$ 678,664
Additions	207,552	47,000	54,517	309,069
Releases	(221,581)	(150,000)	(227,083)	(598,664)
Balance, December 31, 2024	287,552	47,000	54,517	389,069
Additions	1,576,717	-	-	1,576,717
Releases	(673,887)	-	(54,517)	(728,404)
Balance, December 31, 2025	<u>\$ 1,190,382</u>	<u>\$ 47,000</u>	<u>\$ -</u>	<u>\$ 1,237,382</u>

Note 5 – Leasing Activities

The Organization leases building space under short-term agreements. Rent expense from the agreements totaled \$10,230 and \$15,160 for the years ended December 31, 2025 and 2024, respectively.

Note 6 – Retirement Plan

The Organization provides a defined contribution plan under section 401(k) of the Internal Revenue Code (the Plan). Under the terms of the Plan, employees may contribute a percentage of their pretax compensation into the Plan, subject to certain limits set by the Internal Revenue Code. The Organization provides discretionary matching contributions which are vested over six years. The Organization contributed \$24,463 and \$30,890 to the Plan for the years ended December 31, 2025 and 2024, respectively.

Note 7 – Concentrations

Major Grantors and Customers. The Organization had two grantors that comprised 60% of total support and revenue for the year ended December 31, 2025. There were no pledges receivable outstanding from the major grantors at December 31, 2025. The Organization had one grantor and one customer that comprised 33% of total support and revenue for the year ended December 31, 2024. There were no grant or accounts receivable outstanding from the major grantor and major customer at December 31, 2024.

TeachUNITED, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

Note 7 – Concentrations (continued)

Bank Deposits. The Organization routinely maintains cash balances in excess of federally insured limits.