

Mouse Inc.

Audited Financial Statements

June 30, 2025

Mouse Inc.

Audited Financial Statements

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Independent Auditor's Report

To the Board of Directors of
Mouse Inc.

Opinion

We have audited the financial statements of Mouse Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 the Organization as of June 30, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 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 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 judgement made by a reasonable user based on the financial statements.

Board of Directors
Mouse Inc.
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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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 9, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects with the audited financial statements from which it was derived.

Sax LLP

New York, NY
March 12, 2026

Mouse Inc.

Statement of Financial Position

At June 30, 2025
(With comparative totals at June 30, 2024)

ASSETS	June 30,	
	2025	2024
Cash and cash equivalents	\$ 207,597	\$ 485,761
Investments	1,113,872	812,378
Unconditional promises to give	2,133	180,000
Employee Retention Tax Credit receivable	176,722	253,380
Government grants receivable	272,087	324,500
Program fees receivable	134,500	44,864
Prepaid expenses and other assets	3,031	4,729
Property and equipment, net	2,129	2,748
TOTAL ASSETS	\$ 1,912,071	\$ 2,108,360
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 65,270	\$ 69,194
Deferred revenue	-	57,556
Loan payable	149,835	150,000
Total liabilities	215,105	276,750
NET ASSETS		
Without donor restrictions	1,696,966	1,831,610
Total net assets	1,696,966	1,831,610
TOTAL LIABILITIES AND NET ASSETS	\$ 1,912,071	\$ 2,108,360

The attached notes and auditor's report are an integral part of these financial statements.

Mouse Inc.

Statement of Activities

For the Year Ended June 30, 2025
(With comparative totals for the year ended June 30, 2024)

	June 30,	
	2025	2024
WITHOUT DONOR RESTRICTIONS		
PUBLIC SUPPORT AND REVENUE		
Education services - training and instruction	\$ 797,706	\$ 694,489
Government grants	367,000	324,500
Contributions	512,666	788,008
In-kind contributions	221,587	178,730
Interest and dividends	37,194	34,038
Total public support and revenue	<u>1,936,153</u>	<u>2,019,765</u>
EXPENSES		
Program services	1,499,996	1,451,993
Management and general	432,581	473,621
Fundraising	152,558	101,828
Total expenses	<u>2,085,135</u>	<u>2,027,442</u>
Change in net assets from operations	<u>(148,982)</u>	<u>(7,677)</u>
NON-OPERATING ACTIVITIES		
Net gain on investments	14,338	9,590
Total non-operating activities	<u>14,338</u>	<u>9,590</u>
Change in net assets	<u>(134,644)</u>	<u>1,913</u>
NET ASSETS, <i>beginning of year</i>	<u>1,831,610</u>	<u>1,829,697</u>
NET ASSETS, <i>end of year</i>	<u><u>\$ 1,696,966</u></u>	<u><u>\$ 1,831,610</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

Mouse Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2025

(With comparative totals for the year ended June 30, 2024)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses 6/30/25</u>	<u>Total Expenses 6/30/24</u>
Salaries	\$ 955,835	\$ 150,950	\$ 66,992	\$ 1,173,777	\$ 1,144,871
Payroll taxes and employee benefits	247,652	39,111	17,357	304,120	295,643
Consultants (including in kind)	120,775	228,663	64,193	413,631	396,658
Office expenses	10,346	1,635	725	12,706	20,473
IT and communications	23,345	3,637	1,636	28,618	18,122
Travel and meeting	46,083	-	-	46,083	37,808
Workshop stipends and supplies (including in kind)	72,479	-	-	72,479	58,490
Staff training and development	3,288	519	230	4,037	11,286
Rent	12,547	1,982	879	15,408	15,109
Insurance	5,721	903	401	7,025	7,415
Interest	-	4,124	-	4,124	4,074
Miscellaneous	4	756	-	760	15,513
Depreciation	1,921	301	145	2,367	1,980
Total expenses for statement of activities	<u>\$ 1,499,996</u>	<u>\$ 432,581</u>	<u>\$ 152,558</u>	<u>\$ 2,085,135</u>	<u>\$ 2,027,442</u>

The attached notes and auditor's report are an integral part of these financial statements.

Mouse Inc.

Statement of Cash Flows

For the Year Ended June 30, 2025

(With comparative totals for the year ended June 30, 2024)

	June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (134,644)	\$ 1,913
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	2,367	1,980
Net realized and unrealized gain on investments	(14,338)	(9,590)
Changes in assets and liabilities:		
Unconditional promises to give	177,867	(180,000)
Employee Retention Tax Credit receivable	76,658	-
Government grants receivable	52,413	(45,500)
Program fees receivable	(89,636)	516,353
Prepaid expenses and other assets	1,698	11,251
Accounts payable and accrued expenses	(3,924)	(96,197)
Deferred revenue	(57,556)	(66,555)
Total adjustments	<u>145,549</u>	<u>131,742</u>
Net cash provided by operating activities	<u>10,905</u>	<u>133,655</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(1,748)	(1,730)
Purchases of investments (including reinvestment of income)	(287,156)	(33,985)
Net cash used for investing activities	<u>(288,904)</u>	<u>(35,715)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of loan	(165)	-
Net cash used for financing activities	<u>(165)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(278,164)	97,940
CASH AND CASH EQUIVALENTS - <i>beginning of year</i>	<u>485,761</u>	<u>387,821</u>
CASH AND CASH EQUIVALENTS - <i>end of year</i>	<u>\$ 207,597</u>	<u>\$ 485,761</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	<u>\$ 8,558</u>	<u>\$ 7,752</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

The attached notes and auditor's report are an integral part of these financial statements.

Mouse Inc.

Notes to Financial Statements

June 30, 2025

Note 1 - Nature of Organization

Mouse Inc. (the "Organization") is a nonprofit organization located in New York City that educates and inspires all youth and educators to engage with computer science, AI, and creative technology to succeed in STEM careers and access technology as a force for good. The Organization's primary sources of revenue are contributions, government grants, and program income.

The Organization has been notified by the Internal Revenue Service that it is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. They have not been determined to be a private foundation as defined in Section 509(a).

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting and Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

The financial statements are presented in accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 - *Presentation of Financial Statements of Not-For-Profit Entities*. FASB ASC 958 requires the Organization to report information regarding its financial position and activities according to the following specific classes of net assets:

- *Net Assets without Donor Restrictions* - represents all activities without donor restrictions as well as activity with donor-imposed restrictions, which expire within the same period that the donation is received.
- *Net Assets with Donor Restrictions* - relates to activity based on specific donor restrictions that are expected to be satisfied by the passage of time or performance of activities. At June 30, 2025 and 2024, there were no net assets with donor restrictions.

b. Revenue Recognition

The Organization follows the requirements of FASB ASC 958-605 for recording contributions, which are recognized at the time a contribution becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Mouse Inc.

Notes to Financial Statements

June 30, 2025

Note 2 - Summary of Significant Accounting Policies - Continued

b. Revenue Recognition - Continued

The Organization's government grants are primarily conditional non-exchange transactions and fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance-related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as deferred revenue.

Unconditional promises to give are recorded at net realizable value if expected to be received in less than one year, or at fair value using a risk-adjusted discount rate if expected to be received in greater than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Conditional contributions that have not been recognized amount to \$75,000 and \$70,000 for the years ended June 30, 2025 and 2024, respectively. These contributions are conditioned upon meeting milestones and providing deliverables and will be recognized as contribution revenue when the conditions are met.

Unconditional promises to give and government grants receivable are reviewed for collectability. Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists as of June 30, 2025 and 2024. At June 30, 2025, all receivables are due within one year.

The Organization follows the requirements of FASB ASC 606 for recognizing revenue from contracts with customers. Revenue from education services falls under FASB ASC 606 and is recognized at the point in time that the service is provided and the performance obligation is complete.

Fees that have not been collected at year end are reflected as program fees receivable. Amounts collected in advance are treated as deferred revenue. Expected credit losses on program fees receivable are estimated based on historical credit loss experience, aging analysis, and management's assessment of current conditions and reasonable execution of future conditions. Based on that evaluation, management has determined that no allowance for credit losses is warranted.

c. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Non-operating activities are limited to the net gain or loss on investments.

d. Cash and Cash Equivalents

The Organization considers liquid investments that have an initial maturity of three months or less to be cash and cash equivalents. However, amounts held by the investment custodian for long-term purposes are included with investments.

Mouse Inc.

Notes to Financial Statements

June 30, 2025

Note 2 - Summary of Significant Accounting Policies - Continued

e. Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to a concentration of credit risk consist of cash and money market accounts that have been placed with financial institutions that management deems to be creditworthy. At times and at year end, balances may exceed federally insured limits. While at year end the Organization had material uninsured balances, management feels they have little risk and has not experienced any losses due to bank failure.

f. Investments

Investments with readily available market prices are reflected at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are included in income on the statement of activities as non-operating activities.

g. Property and Equipment

Property and equipment that exceed a dollar threshold of \$2,500 and have a useful life of greater than one year are recorded at cost or at fair value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful life of the respective asset as follows:

Furniture and equipment	3 to 5 year life
Website	3 year life

Maintenance and repairs, which neither materially add to the value of the asset nor appreciably prolong its life are charged to expenses as incurred.

h. In-Kind Contributions and Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their fair value on the date of donation. Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

Board members and other individuals volunteer their time and perform a variety of services that assist the Organization. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

i. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Mouse Inc.

Notes to Financial Statements

June 30, 2025

Note 2 - Summary of Significant Accounting Policies - Continued

j. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Salaries expense is allocated based on time and effort. The following costs are allocated based on salary allocation as the basis:

- Payroll taxes and employee benefits
- Office expenses
- IT and communications
- Staff training and development
- Rent
- Insurance
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

k. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2022 and later are subject to examination by applicable taxing authorities.

l. Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024 from which the summarized information was derived.

Note 3 - Investments and Fair Value Measurements

Investments are stated at fair value. Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Mouse Inc.

Notes to Financial Statements

June 30, 2025

Note 3 - Investments and Fair Value Measurements - Continued

The following summarizes the composition of investments, which were all measured using Level 1 inputs:

	June 30,	
	2025	2024
Global equity mutual funds	\$ 191,424	\$ 89,439
Fixed income mutual funds	664,926	299,027
Money market fund	257,522	423,912
Total	\$ 1,113,872	\$ 812,378

Level 1 investments are valued at the closing price reported on the active market on which they are traded. All dividends received during the year have been reinvested in additional shares.

The following summarizes the net gain on investments:

	June 30,	
	2025	2024
Realized/Unrealized gain on investments	\$ 20,565	\$ 14,362
Investment fees	(6,227)	(4,772)
Total gain on investments	\$ 14,338	\$ 9,590

Note 4 - Employee Retention Tax Credit

In a previous year, the Organization claimed the Employee Retention Tax Credit ("ERTC") in the amount of \$253,380. The ERTC was established by the Coronavirus Relief Act issued by Congress during 2020 and allows an employer to obtain fully refundable tax credits through their payroll tax filings for qualified wages paid after March 13, 2020 through September 30, 2021. To be eligible, an employer must incur payroll costs to retain employees and be adversely affected by the COVID-19 pandemic due to having operations suspended by a government order or demonstrating that they had a significant decline in gross receipts.

The Organization accounted for the ERTC as a conditional contribution in accordance with FASB ASC 958-605. The conditions for eligibility outlined above were met during the year ended June 30, 2023, and the full amount was recognized as revenue in 2023.

At June 30, 2025 and 2024, ERTC receivables of \$176,722 and \$253,380, respectively, were reported on the financial position. Subsequent to year end, the Organization collected \$157,343 of the outstanding balance.

Mouse Inc.

Notes to Financial Statements

June 30, 2025

Note 5 - Property and Equipment

Property and equipment consists of the following:

	June 30,	
	2025	2024
Furniture and equipment	\$ 185,010	\$ 183,262
Website - Mouse Create	101,583	101,583
	286,593	284,845
Less: accumulated depreciation	(284,464)	(282,097)
Total property and equipment, net	\$ 2,129	\$ 2,748

Note 6 - Loan Payable

On June 19, 2020, the Organization obtained an Economic Injury Disaster loan (“EIDL”) from the Small Business Administration (“SBA”) in the amount of \$150,000 with a fixed interest rate of 2.75%. The loan has a maturity of 30 years with a deferment of payments for the first 30 months. Thereafter, monthly payments of \$641 are due, which are first applied to accrued interest and then applied to the principal balance. All tangible and intangible property of the Organization serve as collateral for the loan. Minimum scheduled principal payments are as follows:

Year ending:		
June 30, 2026		\$ 3,572
June 30, 2027		3,670
June 30, 2028		3,771
June 30, 2029		3,874
June 30, 2030		3,981
Thereafter		130,967
Total		\$ 149,835

In addition, the Organization has a line of credit in the amount of \$100,000. The line matures in 2030. There was no outstanding balance on this line of credit at June 30, 2025 or 2024. The line was unused in both years.

Note 7 - In-Kind Contributions

The Organization received donated legal services of \$154,587 and \$136,230 during the years ended June 30, 2025 and 2024, respectively. The services are valued at the estimated fair value based on current rates for similar services in the New York City Metropolitan area. The expenses were reported as management and general expenses on the statement of functional expenses.

The Organization also received the use of a donated event venue and related costs of \$67,000 and \$42,500 during the year ended June 30, 2025 and 2024, respectively. The venue and related costs were valued at the estimated fair value based on current rates for similar spaces and costs in the New York City Metropolitan area. This expense was reported as a program related expense on the statement of functional expenses.

Mouse Inc.

Notes to Financial Statements

June 30, 2025

Note 8 - Retirement Plan

The Organization leases employees through a professional employer organization (“PEO”) agreement. Employees are eligible to participate in a 403 (b) plan sponsored by the PEO. Under this plan, all full-time employees are eligible to contribute pre-tax dollars up to statutory limits beginning on the first day of the month after commencing employment.

The Organization elected to provide an employer match of up to 5% of eligible employee salaries which amounted to \$47,000 in 2025 and \$46,000 in 2024. Matching contributions are vested immediately.

Note 9 - Availability and Liquidity

The Organization maintains cash on hand to be available for its general expenditures and other obligations for on-going operations. As part of its liquidity management, the Organization operates its programs within a board approved budget and relies on government grants, contributions, and earned income to fund its operations and program activities. In addition, the Organization had an unused line of credit in the amount of \$100,000 at year end.

The following reflects the Organization’s financial assets at June 30, 2025 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:	
Cash and cash equivalents	\$ 207,597
Investments	1,113,872
Unconditional promises to give	2,133
Employee Retention Tax Credit receivable	176,722
Government grants receivable	272,087
Program fees receivable	<u>134,500</u>
Financial assets available to meet cash needs for operations within one year	<u><u>\$ 1,906,911</u></u>

There were no external or internal restrictions on these assets.

Note 10 - Subsequent Events

Subsequent events have been evaluated through March 12, 2026, the date the financial statements were available to be issued. All material events have been properly disclosed in these financial statements.