

Financial Statements

CODEPATH*ORG

**For the Year Ended December 31, 2025
With Summarized Financial
Information for 2024**

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With Summarized Financial Information for 2024

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CodePath.org
San Francisco, California

Opinion

We have audited the accompanying financial statements of CodePath.org (CodePath), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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 CodePath as of December 31, 2025, and the results of its change 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 CodePath 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.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION**

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 CodePath'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 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 CodePath'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 CodePath'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 CodePath's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 2, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Freedman

May 4, 2026

Statement of Financial Position
As of December 31, 2025
With Summarized Financial Information for 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 13,549,358	\$ 14,911,404
Investments	19,082,100	18,399,461
Accounts and other receivables	371,751	321,006
Grants and contributions receivable	2,686,634	2,743,987
Prepaid expenses	467,233	806,734
Total current assets	36,157,076	37,182,592
NONCURRENT ASSETS		
Intangible assets	2,328,495	442,072
Accumulated amortization, intangible assets	(705,717)	(193,883)
Net intangible assets	1,622,778	248,189
Grants and contributions receivable, net	386,559	-
Total Assets	\$ 38,166,413	\$ 37,430,781

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 261,358	\$ 514,571
Accrued salaries and related benefits	857,846	406,911
Deferred revenue	1,258,835	67,456
Refundable advance	-	2,500,000
Total liabilities	2,378,039	3,488,938
NET ASSETS		
Without donor restrictions	24,169,582	25,424,858
With donor restrictions	11,618,792	8,516,985
Total net assets	35,788,374	33,941,843
Total Liabilities and Net Assets	\$ 38,166,413	\$ 37,430,781

See accompanying notes to financial statements.

Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Grants and contributions	\$ 9,804,732	\$ 14,691,559	\$ 24,496,291	\$ 20,466,037
Custom training development	5,419,193	-	5,419,193	2,961,723
Net investment return	732,872	-	732,872	964,281
Contributed nonfinancial assets	348,076	-	348,076	804,655
Other revenue	16,168	-	16,168	18,737
Net assets released from donor restrictions	11,589,752	(11,589,752)	-	-
Total support and revenue	<u>27,910,793</u>	<u>3,101,807</u>	<u>31,012,600</u>	<u>25,215,433</u>
EXPENSES				
Program Services	21,603,275	-	21,603,275	16,549,029
Supporting Services:				
Management and General	4,565,828	-	4,565,828	3,220,018
Fundraising	2,996,966	-	2,996,966	2,884,477
Total supporting services	<u>7,562,794</u>	<u>-</u>	<u>7,562,794</u>	<u>6,104,495</u>
Total expenses	<u>29,166,069</u>	<u>-</u>	<u>29,166,069</u>	<u>22,653,524</u>
Change in net assets	(1,255,276)	3,101,807	1,846,531	2,561,909
Net assets at beginning of year	25,424,858	8,516,985	33,941,843	31,379,934
Net Assets at End of Year	<u>\$ 24,169,582</u>	<u>\$ 11,618,792</u>	<u>\$ 35,788,374</u>	<u>\$ 33,941,843</u>

See accompanying notes to financial statements.

**Statement of Functional Expenses
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024**

	2025				2024	
	Supporting Services					
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries and benefits	\$ 12,449,644	\$ 2,893,357	\$ 1,650,135	\$ 4,543,492	\$ 16,993,136	\$ 11,652,232
Professional fees	1,732,659	1,137,280	1,084,577	2,221,857	3,954,516	3,022,164
Program contractors	2,821,302	-	-	-	2,821,302	2,487,997
Platform services	1,487,661	-	-	-	1,487,661	1,842,672
Dues and subscriptions	953,940	124,869	130,848	255,717	1,209,657	721,996
Marketing and education	781,318	36,181	60,023	96,204	877,522	1,261,570
Travel and entertainment	325,338	164,557	39,681	204,238	529,576	410,556
Amortization	499,332	12,501	-	12,501	511,833	97,428
Training and seminars	245,609	14,569	7,177	21,746	267,355	43,273
Supplies and materials	218,701	13,840	12,945	26,785	245,486	205,941
Other	7,709	153,950	3,317	157,267	164,976	153,485
Recruiting	63,062	14,724	8,263	22,987	86,049	175,710
Contributions	17,000	-	-	-	17,000	578,500
Total	\$ 21,603,275	\$ 4,565,828	\$ 2,996,966	\$ 7,562,794	\$ 29,166,069	\$ 22,653,524

See accompanying notes to financial statements.

Statement of Cash Flows
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,846,531	\$ 2,561,909
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	511,833	97,428
Net realized and unrealized gain	(19,545)	(243,519)
Change in discount on long term receivables	13,441	-
(Increase) decrease in:		
Accounts and other receivables	(50,745)	(157,314)
Grants and contributions receivable	(342,647)	716,616
Prepaid expenses	339,501	(509,961)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(253,213)	208,182
Accrued salaries and related benefits	450,935	261,523
Deferred revenue	1,191,379	(116,544)
Refundable advance	(2,500,000)	(2,500,000)
Net cash provided by operating activities	1,187,470	318,320
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(1,886,422)	(161,781)
Purchases of investments	(734,729)	(773,190)
Proceeds from sale of investments	71,635	35,101
Net cash used by investing activities	(2,549,516)	(899,870)
Net decrease in cash and cash equivalents	(1,362,046)	(581,550)
Cash and cash equivalents at beginning of year	14,911,404	15,492,954
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 13,549,358	\$ 14,911,404

See accompanying notes to financial statements.

Notes to Financial Statements
December 31, 2025

1. Summary of Significant Accounting Policies

Organization

CodePath.org (CodePath) was formed in 2017 as a non-profit organization in accordance with the laws of the State of California. CodePath's mission is to reprogram higher education to create the first AI-native generation of engineers, CTOs, and founders. The Organization delivers industry-vetted courses and career support centered on the needs of first-generation and low-income students. CodePath's students train with senior engineers, intern at top companies, and rise together to become the tech leaders of tomorrow.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follow:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with CodePath's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Cash and Cash Equivalents

CodePath considers all highly liquid investments with maturities of three months or less, excluding money market funds included as part of the investment portfolio, to be cash and cash equivalents. Money market funds held by investment managers totaled \$14,815,599 as of December 31, 2025 and are presented as part of the investment balance.

Notes to Financial Statements
December 31, 2025

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, CodePath maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets. Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. CodePath's policy is to liquidate all gifts of investments as soon as possible after the gift.

Receivables

Accounts receivable primarily consists of amounts due within one year related to contracts from program services. Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions. Effective January 1, 2025, CodePath has elected the accounting policy to consider collection activity subsequent to the Statement of Financial Position date when estimating expected credit losses. In estimating expected credit losses, CodePath has considered subsequent collections through March 16, 2026. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. The allowance for credit losses was deemed immaterial as of December 31, 2025.

Grants and contributions receivable include unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term grants and contributions receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions revenue. All grants and contributions receivable were deemed fully collectable, and accordingly, there was no allowance for doubtful accounts as of December 31, 2025.

Intangible Assets

Intangible assets in excess of \$5,000 are capitalized and stated at cost. Intangible assets consist of website, software and work in progress development which have been capitalized in accordance with ASC 350. Intangible assets are amortized on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Amortization expense totaled \$511,833 for the year ended December 31, 2025.

**Notes to Financial Statements
December 31, 2025**

1. Summary of Significant Accounting Policies (Continued)

Income Taxes

CodePath is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. CodePath is not a private foundation.

Revenue from Contracts with Customers

CodePath's custom training development is the most significant revenue stream that is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. CodePath has elected to opt out of all (or certain) disclosures not required for nonpublic entities. CodePath develops curriculum designs and completes delivery of instructions for customers. These custom courses include topics such as technical interview preparation, interview studies, and problem solving for customers' students. Depending on the nature of the contract, the performance obligation for providing these services may be based on achievement of specific milestones or satisfied over time if the customers are receiving and consuming the benefits as they are provided. Fees are a fixed amount and are due and payable as determined in the terms of the agreements. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. CodePath's contracts with customers generally have terms of one to three years.

Support from Grants and Contributions

Grants and contributions are recognized in the appropriate category of net assets in the period received. CodePath performs an analysis of the individual agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. CodePath did not have a refundable advance balance as of December 31, 2025.

Notes to Financial Statements
December 31, 2025

1. Summary of Significant Accounting Policies (Continued)

Support from Grants and Contributions (Continued)

In addition, CodePath may obtain funding source agreements related to conditional contributions, which will be received in future years. CodePath's unrecognized conditional contributions to be received in future years totaled \$6,024,550 as of December 31, 2025.

Contributed Nonfinancial Assets

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed online course subscriptions, platform licensing and advertising. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CodePath. None of the contributed nonfinancial assets were restricted by donors or monetized through sale.

Additionally, a substantial number of volunteers have donated significant amounts of time to CodePath. No amounts have been recognized in the Statement of Activities and Change in Net Assets since services performed by CodePath's volunteers do not fall into the criteria established by the Financial Accounting Standards Board in this area.

Use of Estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Advertising

CodePath expenses advertising costs as incurred. Advertising expense was \$877,522 as of December 31, 2025 and is presented as Marketing and education in the accompanying Statement of Functional Expenses.

Functional Allocation of Expenses

The costs of providing CodePath's programs and supporting services have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefitted more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

Notes to Financial Statements
December 31, 2025

1. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses (Continued)

Shared employee benefit expenses, professional fees such as operational contractors recruiting expenses, dues and subscriptions, marketing and education, and supplies and materials are allocated based on salaries.

Risks and Uncertainties

CodePath invests in various investment securities. Investment securities are exposed to various risks such as interest rates, 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 values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Reclassification

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications are primarily due to changes in natural expense groupings. The reclassifications had no effect on the previously reported change in net assets.

2. Investments and Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurement*, CodePath has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the accompanying Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market CodePath has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Notes to Financial Statements
December 31, 2025

2. Investments and Fair Value Measurements (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2025. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Fixed Income* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money Market Funds	\$ 14,815,599	\$ -	\$ -	\$ 14,815,599
Fixed Income	-	4,266,501	-	4,266,501
Total Investments	<u>\$ 14,815,599</u>	<u>\$ 4,266,501</u>	<u>\$ -</u>	<u>\$ 19,082,100</u>

Net investment return consisted of the following for the year ended December 31, 2025:

Interest and dividends	\$ 785,457
Unrealized loss	(78,601)
Realized gain	98,146
Investment expenses	(72,130)
Net Investment Return	<u>\$ 732,872</u>

3. Grants and Contributions Receivable

CodePath has received written promises to give from various donors totaling \$3,086,634 as of December 31, 2025. Grants and contributions receivable that are due in more than one year have been recorded at the net present value of their estimated future cash flows using a discount rate of 3.47%. Grants and contributions receivable are expected to be collected as follows as of December 31, 2025:

Less than one year	\$ 2,686,634
One to five years	400,000
Total	<u>3,086,634</u>
Less: Allowance to discount balance to present value	(13,441)
Grants and Contributions Receivable, Net	<u>\$ 3,073,193</u>

Notes to Financial Statements
December 31, 2025

4. Contract Assets and Liabilities

Contract assets consisted of the following revenue streams as of:

	<u>December 31, 2025</u>	<u>January 1, 2025</u>
Custom Training Development	\$ 77,222	\$ 128,571

Contract assets are included in Accounts and other receivables on the accompanying Statement of Financial Position.

Contract liabilities consisted of the following revenue streams as of:

	<u>December 31, 2025</u>	<u>January 1, 2025</u>
Custom Training Development	\$ 1,258,835	\$ 67,456

Contract liabilities are presented as deferred revenue on the accompanying Statement of Financial Position.

5. Intangible Assets

Intangible assets consisted of the following as of December 31, 2025:

Software	\$ 2,069,427
Website	259,068
Total intangible assets	<u>2,328,495</u>
Less: Accumulated amortization	(705,717)
Intangible Assets, Net	<u>\$ 1,622,778</u>

6. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31, 2025:

Purpose restricted	\$ 7,956,292
Time restricted	3,662,500
Total Net Assets with Donor Restrictions	<u>\$ 11,618,792</u>

Notes to Financial Statements
December 31, 2025

6. Net Assets with Donor Restrictions (Continued)

The following net assets with donor restrictions were released for donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended December 31, 2025:

Purpose restrictions accomplished	\$ 10,110,585
Passage of time restrictions	1,479,167
Total Net Assets Released from Donor Restrictions	<u><u>\$ 11,589,752</u></u>

7. Liquidity and Availability

CodePath has a policy to structure its financial assets to be available and liquid as its obligations become due. Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following as of December 31, 2025:

Cash and cash equivalents	\$ 13,549,358
Investments	19,082,100
Receivables	371,751
Grants and contributions receivable, current	2,686,634
Subtotal financial assets available within one year	<u>35,689,843</u>
Less: Donor-restricted funds	(7,956,292)
Financial Assets Available for Use Within One Year	<u><u>\$ 27,733,551</u></u>

8. Contributed Nonfinancial Assets

CodePath was the beneficiary of certain contributed nonfinancial assets which allowed CodePath to provide greater resources towards its various programs. The fair value as of the contributed nonfinancial assets were determined using current market rates.

The contributed nonfinancial assets consisted of the following for the year ended December 31, 2025:

Online course subscriptions	\$ 60,094
Platform licensing	243,125
Marketing	44,857
Total	<u><u>\$ 348,076</u></u>

The contributed nonfinancial assets have been recorded in platform services and in the following functional expense categories for the year ended December 31, 2025:

Program Services	<u><u>\$ 348,076</u></u>
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Notes to Financial Statements
December 31, 2025

9. Retirement Plan

CodePath has a qualified 401(k) plan which covers employees meeting certain eligibility requirements. Participants may contribute a portion of their compensation to the Plan, up to the maximum amount permitted under the Plan document and IRS annual limitations. CodePath is able to make discretionary contributions to the Plan. CodePath did not contribute to the Plan for the year ended December 31, 2025.

10. Concentration of Revenue

For the year ended December 31, 2025, three (3) funders comprise approximately 49% of CodePath's grants and contributions revenue. Additionally, three (3) funders comprise approximately 94% of CodePath's grants and contributions receivable as of December 31, 2025. CodePath has no reason to believe these relationships will be discontinued in the foreseeable future.

11. Related Party

CodePath and CodePath LLC (the "LLC") share common ownership and past Board Members. Additionally, CodePath had a licensing agreement with the LLC through February 2025. The licensing agreement provided access to curriculums, which includes iOS, Android, web security, and any other course that was developed by the LLC. The LLC also provided students and organizers access to its platform to administer the courses. Total expense for these services was \$90,141 for the year ended December 31, 2025, and is included in Platform services in the accompanying Statement of Functional Expenses. The fee was discounted, thus the discount amount was recorded as a contributed nonfinancial asset. During the year ended December 31, 2025, the value of the contributed nonfinancial asset was \$60,094 (See Note 8).

On February 6, 2025, CodePath executed an asset purchase agreement to acquire all courseware and intellectual property (IP) related to the LLC's Learning Management Software as well as rights to the name "CodePath", including all marketing materials, for a total purchase price of \$1,600,000. Consideration for the purchase consisted of \$1,470,879 cash and the application of the unused portion of prepaid license fees of \$129,121 from CodePath's previous licensing agreement with the LLC. The transaction was accounted for as an asset acquisition under ASC 805-50, as opposed to a business combination. Asset acquisition treatment was considered to be appropriate given that specific assets were purchased as opposed to the entire business or entity, the liabilities of the LLC are not being transferred to CodePath except for liabilities directly associated with the purchased assets, and CodePath is not absorbing the full operations, staff, or business model of the LLC. To ensure the transaction was conducted at arm's-length, the purchase price for the asset acquisition was negotiated based on a third-party valuation to evaluate the assets and determine their fair market value. The valuation applied an income approach, projecting the pre-tax royalty stream over a four-year period, which CodePath considers to be reflective of the economic useful life of the existing LMS technology acquired. As such, the intangible assets CodePath purchased from the LLC have been capitalized as Software (see Note 5) and are being amortized over a four-year useful life.

Notes to Financial Statements
December 31, 2025

12. Subsequent Events

In preparing these financial statements, CodePath has evaluated events and transactions for potential recognition or disclosure through May 4, 2026, the date the financial statements were issued.