

**BEYOND BEDTIME INC.**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**BEYOND BEDTIME INC.**  
**JUNE 30, 2025 AND 2024**

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## Independent Auditor's Report

To Board of Directors of Beyond Bedtime Inc.

### Opinion

We have audited the accompanying financial statements of Beyond Bedtime Inc. (a nonprofit 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 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 Bedtime Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year 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. 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 Beyond Bedtime Inc., 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.

### Prior Period Financial Statements

The financial statements as of June 30, 2024 were audited by A Gary Aaronson CPA, PLLC, who merged with Lipsky Goodkin & Co., P.C. as of January 1, 2025, whose report dated September 25, 2024 expressed an unmodified opinion on those statements.

### 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 Bedtime Inc.'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 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 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 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 Beyond Bedtime 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 Bedtime 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.

*Lepsky Goodkin & Co., P.C.*

New York, New York  
October 10, 2025

**BEYOND BEDTIME INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

ASSETS

	<u>2025</u>	<u>2024</u>
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 2,089,270	\$ 2,635,335
Contribution receivable	101,267	97,020
Inventory	615,797	1,027,890
Prepaid expenses	<u>29,422</u>	<u>26,500</u>
Total Current Assets	2,835,756	3,786,745
Property and equipment, net	31,700	49,586
Right of use assets - operating leases	299,175	462,146
<b>Other Assets:</b>		
Security deposits	<u>1,500</u>	<u>1,500</u>
Total Other Assets	<u>1,500</u>	<u>1,500</u>
TOTAL ASSETS	<u>\$ 3,168,131</u>	<u>\$ 4,299,977</u>

The accompanying notes are an integral part of these financial statements.

**BEYOND BEDTIME INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

LIABILITIES AND NET ASSETS

	<u>2025</u>	<u>2024</u>
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 137,792	\$ 218,425
Current portion of lease obligations - Operating Leases	<u>101,289</u>	<u>123,479</u>
Total Current Liabilities	239,081	341,904
<b>Other Liabilities:</b>		
Long Term Lease Obligations - Operating Leases	<u>210,057</u>	<u>366,966</u>
Total Liabilities	449,138	708,870
<b>Net Assets:</b>		
Net assets without donor restrictions	2,652,452	3,473,184
Net assets with donor restrictions	<u>66,541</u>	<u>117,923</u>
Total Net Assets	<u>2,718,993</u>	<u>3,591,107</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,168,131</u></u>	<u><u>\$ 4,299,977</u></u>

The accompanying notes are an integral part of these financial statements.

**BEYOND BEDTIME INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

	Net Assets Without Donor <u>Restrictions</u>	Net Assets With Donor <u>Restrictions</u>	<u>Total</u>
<b>Revenue and Support</b>			
Donated books and pajamas	\$ 1,026,982	\$ -	\$ 1,026,982
Contributions	2,212,742	-	2,212,742
Donated space	97,440	-	97,440
Education revenue	79,665	-	79,665
Interest income	68,661	-	68,661
Net Assets Released from Restrictions	<u>51,382</u>	<u>(51,382)</u>	<u>-</u>
Total Revenues and Support	3,536,872	(51,382)	3,485,490
<b>Expenses:</b>			
Program services	3,583,411	-	3,583,411
Supporting Services			
Management and general	294,999	-	294,999
Fundraising	<u>479,194</u>	<u>-</u>	<u>479,194</u>
Total Expenses	<u>4,357,604</u>	<u>-</u>	<u>4,357,604</u>
<b>Changes in Net Assets</b>	(820,732)	(51,382)	(872,114)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>3,473,184</u>	<u>117,923</u>	<u>3,591,107</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,652,452</u>	<u>\$ 66,541</u>	<u>\$ 2,718,993</u>

The accompanying notes are an integral part of these financial statements.

**BEYOND BEDTIME INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

	Net Assets Without Donor <u>Restrictions</u>	Net Assets With Donor <u>Restrictions</u>	<u>Total</u>
<b>Revenue and Support</b>			
Donated books and pajamas	\$ 1,209,723	\$ -	\$ 1,209,723
Contributions	2,108,945	6,500	2,115,445
Donated space	97,193	-	97,193
Education revenue	66,557	-	66,557
Interest income	107,171	-	107,171
Net Assets Released from Restrictions	<u>132,849</u>	<u>(132,849)</u>	<u>-</u>
 Total Revenues and Support	 3,722,438	 (126,349)	 3,596,089
 <b>Expenses:</b>			
Program services	3,530,108	-	3,530,108
Supporting Services			
Management and general	352,169	-	352,169
Fundraising	<u>496,065</u>	<u>-</u>	<u>496,065</u>
 Total Expenses	 <u>4,378,342</u>	 <u>-</u>	 <u>4,378,342</u>
 <b>Changes in Net Assets</b>	 (655,904)	 (126,349)	 (782,253)
 <b>NET ASSETS - BEGINNING OF YEAR</b>	 <u>4,129,088</u>	 <u>244,272</u>	 <u>4,373,360</u>
 <b>NET ASSETS - END OF YEAR</b>	 <u>\$ 3,473,184</u>	 <u>\$ 117,923</u>	 <u>\$ 3,591,107</u>

The accompanying notes are an integral part of these financial statements.

**BEYOND BEDTIME INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Program</u> <u>Services</u>	<u>Supporting Services</u>		
		<u>Administrative</u> <u>and General</u>	<u>Fund-</u> <u>Raising</u>	<u>Total</u>
Salaries	\$ 975,333	\$ 98,792	\$ 246,494	\$ 1,320,619
Payroll tax	159,605	16,167	40,337	216,109
Distribution of books and pajamas	1,531,814	-	-	1,531,814
Professional fees	81,120	121,798	103,157	306,075
Office expenses	56,464	29,138	37,689	123,291
Occupancy expenses (Including in kind) (Note 6)	514,378	6,392	15,947	536,717
Postage and shipping	129,227	-	-	129,227
Travel	4,425	448	1,118	5,991
Insurance	18,371	1,861	4,643	24,875
Advertising and marketing	-	9,914	-	9,914
Program supplies	89,636	-	-	89,636
Other expenses	9,828	9,151	26,471	45,450
Depreciation	<u>13,210</u>	<u>1,338</u>	<u>3,338</u>	<u>17,886</u>
 Total Expenses	 <u>\$ 3,583,411</u>	 <u>\$ 294,999</u>	 <u>\$ 479,194</u>	 <u>\$ 4,357,604</u>

The accompanying notes are an integral part of these financial statements.

**BEYOND BEDTIME INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Program</u>	<u>Supporting Services</u>		
	<u>Services</u>	<u>Administrative</u>	<u>Fund-</u>	<u>Total</u>
		<u>and General</u>	<u>Raising</u>	
Salaries	\$ 1,045,154	\$ 109,857	\$ 321,929	\$ 1,476,940
Payroll tax	192,252	20,208	59,217	271,677
Distribution of books and pajamas	1,322,910	-	-	1,322,910
Professional fees	80,893	138,869	18,042	237,804
Office expenses	74,772	21,076	36,249	132,097
Occupancy expenses (Including in kind) (Note 6)	530,077	7,229	21,185	588,491
Postage and shipping	147,128	-	-	147,128
Travel	16,902	1,558	4,565	23,025
Insurance	15,544	1,634	4,787	21,965
Advertising and marketing	-	40,977	-	40,977
Program supplies	80,387	-	-	80,387
Other expenses	11,324	9,419	26,159	46,902
Depreciation	<u>12,765</u>	<u>1,342</u>	<u>3,932</u>	<u>18,039</u>
 Total Expenses	 <u>\$ 3,530,108</u>	 <u>\$ 352,169</u>	 <u>\$ 496,065</u>	 <u>\$ 4,378,342</u>

The accompanying notes are an integral part of these financial statements.

**BEYOND BEDTIME INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS JUNE 30, 2025 AND 2024**

	2025	2024
<u>Cash flows from operating activities:</u>		
Changes in Net Assets	\$ (872,114)	\$ (782,253)
Adjustments to reconcile net assets to net cash used in operating activities:		
Depreciation	17,886	18,039
Noncash portion of lease expenses - operating lease	162,971	117,565
Donated books and pajamas	(1,026,982)	(1,209,723)
Distribution of donated books and pajamas	1,439,075	1,110,804
(Decrease) Increase in operating assets:		
Contributions receivable	(4,247)	49,653
Program income receivable	-	11,409
Prepaid expenses and other assets	(2,922)	11,774
Security deposits	-	8,341
Decrease (Increase) in operating liabilities:		
Accounts payable and accrued expenses	(80,633)	46,466
Lease obligations	<u>(179,099)</u>	<u>(114,366)</u>
Net cash used in operating activities	(546,065)	(732,291)
<u>Cash flows from investing activities:</u>		
Purchase of fixed assets	<u>-</u>	<u>(20,728)</u>
Net cash used in investing activities	<u>-</u>	<u>(20,728)</u>
Net Decrease in Cash and Cash Equivalent	(546,065)	(753,019)
Cash and Cash Equivalent - Beginning of Year	<u>2,635,335</u>	<u>3,388,354</u>
Cash and Cash Equivalent - End of Year	<u><u>\$ 2,089,270</u></u>	<u><u>\$ 2,635,335</u></u>

The accompanying notes are an integral part of these financial statements.

**BEYOND BEDTIME INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 1 - Organization**

Pajama Program, Inc. (the “Organization”) is a not-for-profit corporation that promotes and supports a comforting bedtime routine for all children affected by instability to help them thrive. The Organization provides pajamas, inspiring storybooks, and critical resources for parent and care-givers. Effective July 8, 2025, the Organization changed its name to Beyond Bedtime Inc.

The Organization’s primary source of support is contributions from corporations, schools, and individuals. These contributions consist of cash, pajamas, or books.

The Organization is a not-for-profit organization exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

**Note 2 - Summary of Significant Accounting Policies**

Basis of Accounting

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

Financial Statement Presentation

The Organization’s net assets are classified into two categories. The classifications are related to the existence or absence of donor-imposed restrictions, as follows:

*Net assets without donor restrictions* - Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization.

*Net assets with donor restrictions* - Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may be needed to be maintained in perpetuity.

**BEYOND BEDTIME INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

Financial Statement Presentation (Continued)

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

Revenue Recognition

The Organization follows the requirements of Financial Accounting Standards Board's ("FASB") Accounting Standards Codification "ASC" 958-605 for recording contributions, which are recognized when contribution become 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 restriction are reclassified into net asset without donor restriction. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restriction.

The Organization evaluates whether contributions are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for the Organization to be entitled to the revenue and a right of return of the asset of right of release from the obligation exists.

Government grants have been evaluated and are considered to be conditional nonreciprocal transactions that fall under the scope of ASC 958-605. Revenue from these transactions is recognized when qualifying expenditure are incurred, performance related outcome are achieved, and other conditions under the agreement are met. Cash received in advance of the conditions being met is treated as a liability.

Contribution and grants expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques.

The Organization follows the requirements of FASB's ASC 606 for recognizing revenue from contracts with customers which applies to education revenue for providing sleep health seminars and workshops. Revenue from training, seminars,

**BEYOND BEDTIME INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

Revenue Recognition (Continued)

and workshops 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 accounts receivable. Amounts collected in advance are treated as deferred revenue.

Management has reviewed the collectability of all receivables, factoring judgement about creditworthiness and age of receivables, as well as historical experience. Based on that evaluation, management feels that no allowance for doubtful accounts is necessary as of June 30, 2025 and 2024. All receivables are expected to be collected within one year.

Inventory

The Organization receives donated pajamas and books that are distributed to program participants. Inventory that is donated is recorded at fair value as of the date of donation and such items are expensed as program services expenses when sent to program participants. During the year ended June 30, 2025 and 2024, the Organization received \$1,026,982 and \$1,209,723 respectively donated pajamas and books. The basis for valuing these contributions are recent comparable prices for purchasing similar goods in the United States of America. There are no associated donor restrictions.

Inventory is grouped into homogenous categories and estimates are computed based on average prices on recognized exchanges for similar goods. Inventory is valued at the lower of carrying value (average cost/donated value) or fair value.

Fixed Assets

Property, furniture and equipment that exceed pre-determined amounts and that 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 lives of the respective assets, which are 3-7 years for furniture and equipment.

**BEYOND BEDTIME INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

In-kind Services

Donated services that either 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, are recognized at fair value.

Many volunteers, including board members, provide service in support of the Organization's mission. Those services have not been recognized on the financial statements because they do not meet the criteria outlined above.

Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimate and assumption that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statement. Accordingly, certain costs have been allocated among the programs and supporting service benefitted. Management and general expenses include those expenses that are not directed identifiable with many other specific function but provide for overall support and direction of the Organization.

Salaries were allocated using time and effort as the basis. The following expenses were allocated using the salary allocation as the basis:

Payroll taxes and benefits  
It Consultant in professional fees  
Office expenses  
Occupancy expenses for main office  
Insurance  
Depreciation

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

**BEYOND BEDTIME INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

Advertising and Marketing

Advertising and marketing costs are expensed as incurred.

Accounting for Uncertainty of Income Taxes

Management does not believe its financial statements include any material, uncertainty tax position. Tax filings for period ending June 30, 2022 and later are subject to examination by applicable tax authorities.

Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers cash, investment in money market funds and all short term investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Fair Values of Financial Instruments

The Organization financial instruments consist primarily of cash, accounts receivable and accounts payable. The carrying values of cash, accounts receivable and accounts payable are considered to be representative of their respective fair values.

Allowance for Doubtful Accounts

The Organization writes off receivables when there is information that indicates there is no possibility of collectibility. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. There were no write-offs for the years ending June 30, 2025 and 2024.

Adoption of New Lease Standards

Effective July 1, 2022, the Organization adopted Accounting Standards Update (ASU) 2016-02, Leases (ASC Topic 842) and subsequent amendments. ASC 842 affects all companies that enter into lease arrangements, with certain exclusions under limited scope limitations. Under ASU 2016-02, an entity recognizes right-of-

**BEYOND BEDTIME INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

Adoption of New Lease Standards (Continued)

use assets and lease obligations on its statement of financial position for all leases with a lease term of more than 12 months. Short term rentals under year-to-year leases or remaining lease terms of 12 months or less are exempt from being capitalized.

In adopting the new lease standard, the Organization elected to use a transition method under which existing leases were measured and capitalized as of the date of adoption, July 1, 2022, in lieu of applying the standard retrospectively to July 1, 2021.

Additionally, as part of the implementation, the Organization elected to use a package of optional practical expedients which permit the Organization to avoid reassessing previous lease identifications within contracts, the existence of initial direct costs, and the lease classifications of any expired and existing leases.

Moreover, in accordance with the expedients, all leases classified as operating leases under previous U.S. Generally Accepted Accounting Principles (U.S. GAAP) are automatically classified as operating leases under the new standards, and all leases previously classified as capital leases are recorded as finance leases.

The Organization has not classified any leases as finance leases. All leases are classified as operating leases since the Organization does not expect to consume a major part of the economic benefits of the leased assets over the remaining lease term. Leases recognized under the new standard include leases that were not capitalized under previous U.S. GAAP.

Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. The Organization has made an accounting policy election to use a risk-free rate as the discount rate in measuring its lease obligations. Under this election, the risk-free rate used is the rate for a United States treasury instrument with a term consistent with the remaining lease term of an applicable lease.

**BEYOND BEDTIME INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

Adoption of New Lease Standards (Continued)

Right-of-use assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

The Organization recorded a right-to-use asset and lease obligation for operating leases.

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were tenant accounts receivable.

The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

**Note 3 - Net Assets with Donor Restrictions**

The following summarizes activity of net assets with donor restrictions at June 30, 2025 are as follows:

	Balance <u>7/1/24</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>6/30/25</u>
Healthy Sleep	\$ 112,974	\$ -	\$ (46,433)	\$ 66,541
Constellation	<u>4,949</u>	<u>-</u>	<u>(4,949)</u>	<u>-</u>
Total	<u>\$ 117,923</u>	<u>\$ -</u>	<u>\$ (51,382)</u>	<u>\$ 66,541</u>

**BEYOND BEDTIME INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 3 - Net Assets with Donor Restrictions (Continued)**

The following summarizes activity of net assets with donor restrictions at June 30, 2024 are as follows:

	<u>Balance</u> <u>7/1/23</u>	<u>Contributions</u>	<u>Released</u> <u>from</u> <u>Restrictions</u>	<u>Balance</u> <u>6/30/24</u>
Palm Beach County	\$ 6,379	\$ -	\$ (6,379)	\$ -
Book Purchases	5,836	-	(5,836)	-
Sleep Education	7,340	-	(7,340)	-
Boston Chapter	9,118	-	(9,118)	-
Syracuse Chapter	3,308	-	(3,308)	-
Long Island Chapter	2,000	-	(2,000)	-
Healthy Sleep	180,291	-	(67,317)	112,974
Storytime Plus Program	30,000	-	(30,000)	-
Constellation	<u>-</u>	<u>6,500</u>	<u>(1,551)</u>	<u>4,949</u>
 Total	 <u>\$ 244,272</u>	 <u>\$ 6,500</u>	 <u>\$(132,849)</u>	 <u>\$ 117,923</u>

**Note 4 - Concentration of Risk**

The Organization maintains its cash with various financial institutions. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each financial institution. At times, these balances may exceed the FDIC limits. At June 30, 2025 and 2024, cash exceeding the FDIC limits was \$1,511,634 and \$0 respectively. The Organization has not experience any losses in such account and believes it is not exposed to any significant credit risk on cash.

The Organization's largest donor provided \$1,290,315 in cash donations and \$358,545 in donated pajamas. This accounted for 47% of total revenue and support for the year ended June 30, 2025. The Organization's largest donor provided \$1,301,503 in cash donations and \$755,971 in donated pajamas. This accounted for 47% of total revenue and support for the year ended June 30, 2024.

**Note 5 - Fixed Assets**

Property and equipment consisted of the following as of June 30, 2025 and 2024:

**BEYOND BEDTIME INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 5 - Fixed Assets (Continued)**

	2025	2024
Office furniture and equipment	\$ 311,033	\$ 311,033
Less: accumulated depreciation	(279,333)	(261,447)
Property and equipment, net	\$ 31,700	\$ 49,586

**Note 6 - In-Kind Contributions**

In-kind contributions of occupancy costs received during the years ended June 30, 2025 and 2024 were allocated as follows:

	Program Service	Management and General	Fund-Raising	Total
<u>2025</u>				
Occupancy expenses	\$ 75,101	\$ 6,392	\$ 15,947	\$ 97,440
<u>2024</u>				
Occupancy expenses	\$ 68,779	\$ 7,229	\$ 21,185	\$ 97,193

The valuation of in-kind contributions is based on fair market value on the basis of recent comparable prices for renting similar space in the New York/New Jersey area. There are no associated donor restrictions.

**Note 7 - Commitments**

The Organization occupies the following spaces:

- A. Pajama Program Main Office - 171 Madison Avenue, Suite 1409, New York, NY 10016 - This space is donated in-kind to the Organization, and there is no written lease agreement for this space (See Note 6).
- B. New York Reading Center - 114 East 39th Street, New York, NY 10016 - The Organization has a noncancellable lease agreement that expires on February 28, 2028.

**BEYOND BEDTIME INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 7 - Commitments (Continued)**

- C. Atlanta Office - 680 Murphy Avenue SW, Atlantic GA 30310 - The Organization entered into a lease agreement for other office space in GA. The lease expires on October 31, 2025.
- D. Metro Detroit Office - 19171 Merriman Road, Livonia, MI 48152 - The Organization has a noncancellable lease agreement that expires on February 28, 2028.
- E. Storage Facility and Distribution Center - The Organization has an agreement with a storage facility and distribution center that expires on January 26, 2026. The terms of the agreement provide for a monthly maintenance fee of \$1,475 in addition to labor costs for receiving, handling, and fulfilling distribution of inventory that are charged on variable basis.

Effective July 1, 2022, the Organization adopted Accounting Standards Update (ASU) 016-02, Leases (ASC Topic 842) and subsequent amendments (see Note 2 “Adoption of New Lease Standard”) which require the Organization to recognize right-of-use assets and lease obligations for all leases with a lease term of more than 12 months. During the year ended June 30, 2025, the lease for New York Reading Center was modified and the lease payments were reduced. The right of use assets and lease liabilities were adjusted to reflect the lease modification. As of June 30, 2025 right-of-use assets and lease liabilities were as follows:

Right-of-use assets:	
Cost	\$ 419,066
Less: Accumulated Amortization	<u>(119,891)</u>
	<u>\$ 299,175</u>
Lease liabilities:	
Current portion	\$ 102,289
Long-term portion	<u>210,057</u>
	<u>\$ 312,346</u>

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Note 7 - Commitments (Continued)

A summary of the future minimum payments under this lease, reconciled to the lease obligations recorded at June 30, 2025 follows:

	2026	\$ 109,000
	2027	126,500
	2028	<u>89,000</u>
		324,500
Less: Present value discount		<u>(12,154)</u>
		312,346
Lease obligations recorded at June 30, 2025		312,346
Less current portion		<u>(102,289)</u>
		210,057
Long-term lease obligations		<u>\$ 210,057</u>

Note 8 - **Liquidity and Available of Financial Resources**

The following reflects the Organization's financial assets at June 30, 2025 and 2024, reduced by amounts that have donor-imposed restrictions within one year of the statement of financial position date:

	2025	2024
Financial assets at year-end:		
Cash	\$ 2,089,270	\$ 2,635,335
Accounts Receivable	<u>101,267</u>	<u>97,020</u>
Total financial assets	2,190,537	2,732,355
Less amounts not available for general expenditures:		
Net assets with donor restrictions -		
Future programs and period	<u>-</u>	<u>(68,049)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,190,537</u>	<u>\$ 2,664,306</u>

**BEYOND BEDTIME INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 8 - Liquidity and Available of Financial Resources (Continued)**

The Organization maintains cash on hand to be available for its general expenditures, liabilities, 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 contributions and special events to fund its operations and program activities.

**Note 9 - Retirement Plan**

The Organization offers employees the option of participating in a 401(k) retirement plan; whereby, the employees can contribute pre-tax dollars up to statutory limits. Employees who are 21 years old of age and have been employed for three months are eligible to participate. The Organization does not contribute to the plan.

**Note 10 - Subsequent Events**

Management has evaluated subsequent events or transactions occurring through October 10, 2025, the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.