

BenchK12, Inc.

UNAUDITED FINANCIAL STATEMENTS

For the Period from January 1, 2021 to December 31, 2021

BenchK12, Inc

TABLE OF CONTENTS

Independent Review Statement	1
Financial Statements	
Balance Sheet	2
Statement of Income	3
Statement of Cash Flows	4
Statement of Changes in Members' Equity	5
Notes to Financial Statements	6 - 8



To Whom It May Concern:

Fine Point Consulting has reviewed the accompanying financial statements of BenchK12, which comprise the balance sheets as of December 31, 2021, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to BenchK12's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

Jason Stansell, CPA (License No. #24727), Fine Point Consulting

Jason Stansell

4/6/2023

**BenchK12, Inc.****Balance Sheet**

As of December 31, 2021

	<u>12/31/21</u>
ASSETS	
Current Assets	
Bank Accounts	3,783
Total Bank Accounts	<u>3,783</u>
Total Current Assets	<u>3,783</u>
TOTAL ASSETS	3,783
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Chase Credit Card	10,430
Total Credit Cards	<u>10,430</u>
Total Current Liabilities	<u>10,430</u>
Long-Term Liabilities	
Shareholder Loan	25,454
Total Long-Term Liabilities	<u>25,454</u>
Total Liabilities	35,884
Equity	
Retained Earnings	(3,936)
Net Income	(28,165)
Total Equity	<u>(32,101)</u>
TOTAL LIABILITIES AND EQUITY	3,783

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.



BenchK12, Inc. Profit and Loss

As of December 31, 2021

	2021
Income	-
Total Income	-
Gross Profit	-
Expenses	
Advertising & Marketing	980
Bank Charges & Fees	95
Contractors	12,477
Interest Paid	354
Legal & Professional Services	8,065
Meals & Entertainment	873
Office Supplies	96
Other Business Expenses	728
Software Subscriptions	3,147
Taxes & Licenses	879
Utilities	472
Total Expenses	28,165
Net Operating Income	(28,165)
Net Income	(28,165)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.



BenchK12, Inc.
Statement of Cash Flows

As of December 31, 2021

	YTD
OPERATING ACTIVITIES	
Net Income	(28,165)
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Chase Credit Card	10,430
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	<u>21,343</u>
Net cash provided by operating activities	<u>(127,511)</u>
FINANCING ACTIVITIES	
Shareholder Loan	21,518
Net cash provided by financing activities	<u>126,000</u>
Net cash increase for period	<u>(1,511)</u>
Cash at beginning of period	-
Cash at end of period	<u>3,783</u>

The accompanying Notes to Financial Statements are an integral part of these statements.



BenchK12, Inc.
Statement of Members' Equity
As of December 31, 2021

MEMBERS' EQUITY- BEGINNING OF PERIOD	\$ (3,936)
Contributed Capital	\$ -
Net Income (Loss)	\$ (28,165)
MEMBERS' EQUITY- END OF YEAR	<u>\$ (32,101)</u>

BenchK12, Inc.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 1 - Organization

Nature of Operations

BenchK12, Inc. ("Company"), a Delaware corporation which, is a capital management platform designed for the unique needs of K12 education and the future of data and work. The Company was organized as a Delaware on September 30, 2020. The Company is focused on building a better substitute teaching experience for subs, schools, & students. It integrates with a school's existing technology.

These financial statements are presented for the period from January 1, 2021, to December 31, 2021 ("Period").

NOTE 2 – Summary of Significant Accounting Policies

The Company follows U.S. Generally Accepted Accounting Principles (GAAP) which includes the accounting and reporting guidelines under the Financial Accounting Standards Board (FASB) to ensure consistent reporting of financial condition and results of operations.

Going Concern

The Company was founded during the COVID-19 pandemic, which severely limited their ability to transact. These matters raise substantial concern about the Company's ability to continue as a going concern. As of December 31, 2021. The Company's ability to continue as a going concern is dependent on the Company's ability to raise short term capital, as well as the Company's ability to market the product and continue to raise funds from revenue generating activities.

Estimates

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

Cash & Cash Equivalents

The Company considers all highly liquid financial instruments purchased with maturities of three months or less to be cash equivalents. As of December 31, 2021, the Company held no cash equivalents.

Risks and Uncertainties

The Company has a limited operating history. The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions.

BenchK12, Inc.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

Revenue

The Company has not begun generating revenue for services provided.

Income Taxes

The Company and its members elected to be taxed under the provisions of a Corporation of the Internal Revenue Code ("IRC") and comparable state regulations. Under these provisions, the profit of the Company is taxed to the corporation when earned, and then is taxed to the shareholders when distributed as dividends.

Management evaluated the Company's tax position and concluded the Company had taken no significant uncertain tax positions that require disclosure or adjustments to the financial statements. Accordingly, these financial statements do not include any provision for uncertain tax positions. The Company recognizes interest and penalties related to uncertain tax positions as a component of other expenses. No interest or penalties have been recognized.

Recent Accounting Pronouncements

In May 2014, the FASB issued a new revenue recognition standard update ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." The core principle is that a company will recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the standard specifies the accounting for certain costs to obtain or fulfill a contract with a customer and expands disclosure requirements for revenue recognition. The revenue standard is effective for annual reporting periods beginning after December 15, 2018 for non-public entities. The Company currently does not generate any revenue, but will evaluate the impact of this standard going forward.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows (Topic 230)." ASU No. 2016-18 requires entities that present the change in restricted cash and restricted cash equivalents with cash and cash equivalents to reconcile amounts on the balance sheet to the statement of cash flows. This results in entities no longer presenting transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. Entities will be required to disclose the nature of the restriction, as well as reconcile the totals in the statement of cash flows to cash, cash equivalents, restricted cash, and restricted cash equivalents on the balance sheet when these are shown in more than one line item. ASU No. 2016-18 is effective for annual periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company has evaluated the new standard and concluded it has no effect its financial statements.

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)." ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU No. 2016-02 is effective for annual periods beginning after December 15, 2021 and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted. The Company is not currently entered into any lease agreements, but will evaluate the impact of ASU No. 2016-02 going forward.

BenchK12, Inc.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 3 – Shareholder Loan

There is one Shareholder Loan with an outstanding balance of \$25,454 as of December 31, 2021. The loan has 0% interest and has been utilized to finance the operating activities of the Company.

NOTE 4 – Indemnifications

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of future obligations under these indemnifications to be remote.

NOTE 5 – Going Concern

These financial statements are prepared on a going concern basis. The Company registered in September 2020, and has established a presence and operations in the United States. The Company's ability to continue is dependent upon management's plan to raise additional funds and achieve and sustain profitable operations. The financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.

NOTE 6 – Subsequent Events

Events and transactions subsequent to December 31, 2021 have been evaluated by management for possible adjustments and/or disclosures through the report date, the date the consolidated financial statements were available to be issued. No material events or transactions occurred in the time period referenced above requiring adjustments to the reported amounts.