CONSOLIDATED FINANCIAL STATEMENTS

SOCIETY FOR SCIENCE

SOCIETY FOR SCIENCE & THE PUBLIC AND SUBSIDIARY

FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

SOCIETY FOR SCIENCE & THE PUBLIC (D/B/A SOCIETY FOR SCIENCE)

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Society for Science & the Public (d/b/a Society for Science) and Subsidiary
Washington, D.C.

Opinion

We have audited the accompanying consolidated financial statements of Society for Science & the Public (d/b/a Society for Science) and Society 1776 Mass Ave LLC (collectively, the Society), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Society as of December 31, 2024 and 2023, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Society 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

4550 MONTGOMERY AVENUE · SUITE 800 NORTH · BETHESDA, MARYLAND 20814
(301) 951-9090 · WWW.GRFCPA.COM

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, including omissions, 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 consolidated 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 consolidated 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 consolidated 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 Society'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society'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.

Gelman Rosenberg & Freedman

August 26, 2025

SOCIETY FOR SCIENCE & THE PUBLIC (D/B/A SOCIETY FOR SCIENCE) AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

ASSETS

	2024	2023
Cash and cash equivalents	$ 13,187,590	$ 8,343,720
Investments	31,256,306	41,728,642
Grants and contributions receivable, net	105,161,496	60,569,206
Accounts receivable, net	320,234	696,276
Prepaid expenses and other assets	873,664	540,914
Property and equipment, net	14,497,854	1,357,392
Other assets	31,743	774,207
Right-of-use asset, net	-	644,678
TOTAL ASSETS	**$ 165,328,887**	**$ 114,655,035**

LIABILITIES AND NET ASSETS

	2024	2023
LIABILITIES		
Accounts payable and accrued liabilities	$ 954,818	$ 1,138,220
Accrued salaries and related benefits	1,251,636	1,199,426
Awards payable	5,272,734	5,289,539
Deferred revenue	4,165,583	4,315,936
Accrued postretirement benefits	1,649,000	1,943,000
Operating lease liability, net	-	644,678
Total liabilities	13,293,771	14,530,799
NET ASSETS		
Without donor restrictions	36,001,301	24,844,775
With donor restrictions	116,033,815	75,279,461
Total net assets	152,035,116	100,124,236
TOTAL LIABILITIES AND NET ASSETS	**$ 165,328,887**	**$ 114,655,035**

SOCIETY FOR SCIENCE & THE PUBLIC (D/B/A SOCIETY FOR SCIENCE) AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions - Science education programs	$ 7,643,815	$ 74,491,913	$ 82,135,728
Magazine subscriptions	3,150,070	-	3,150,070
Conference and other	2,107,927	-	2,107,927
Advertising and other	1,130,644	-	1,130,644
Contributed non-financial assets	-	770,000	770,000
Rental income	1,118,275	-	1,118,275
Net assets released from donor restrictions	34,543,305	(34,543,305)	-
Total support and revenue	49,694,036	40,718,608	90,412,644
EXPENSES			
Program Services:			
Science Education Programs	21,866,222	-	21,866,222
Science News	12,075,842	-	12,075,842
Alumni	767,385	-	767,385
Special Initiatives	233,186	-	233,186
Total program services	34,942,635	-	34,942,635
Supporting Services:			
General and Administrative	3,378,223	-	3,378,223
Development	3,227,433	-	3,227,433
Total supporting services	6,605,656	-	6,605,656
Total expenses	41,548,291	-	41,548,291
Changes in net assets before other items	8,145,745	40,718,608	48,864,353
OTHER ITEMS			
Net investment return	2,723,781	35,746	2,759,527
Accrued postretirement benefit adjustment	287,000	-	287,000
Changes in net assets	11,156,526	40,754,354	51,910,880
Net assets at beginning of year	24,844,775	75,279,461	100,124,236
NET ASSETS AT END OF YEAR	**$ 36,001,301**	**$ 116,033,815**	**$ 152,035,116**

SOCIETY FOR SCIENCE & THE PUBLIC (D/B/A SOCIETY FOR SCIENCE) AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions - Science education programs	$ 15,936,817	$ 40,267,439	$ 56,204,256
Magazine subscriptions	3,337,841	-	3,337,841
Conference and other	1,408,749	-	1,408,749
Advertising and other	919,420	-	919,420
Contributed non-financial assets	-	993,000	993,000
Net assets released from donor restrictions	18,419,163	(18,419,163)	-
Total support and revenue	40,021,990	22,841,276	62,863,266
EXPENSES			
Program Services:			
Science Education Programs	21,069,334	-	21,069,334
Science News	11,513,643	-	11,513,643
Alumni	731,784	-	731,784
Special Initiatives	197,469	-	197,469
Total program services	33,512,230	-	33,512,230
Supporting Services:			
General and Administrative	2,880,542	-	2,880,542
Development	3,092,338	-	3,092,338
Total supporting services	5,972,880	-	5,972,880
Total expenses	39,485,110	-	39,485,110
Changes in net assets before other items	536,880	22,841,276	23,378,156
OTHER ITEMS			
Net investment return	3,094,644	302,716	3,397,360
Accrued postretirement benefit adjustment	(137,000)	-	(137,000)
Changes in net assets	3,494,524	23,143,992	26,638,516
Net assets at beginning of year	21,350,251	52,135,469	73,485,720
NET ASSETS AT END OF YEAR	**$ 24,844,775**	**$ 75,279,461**	**$ 100,124,236**

SOCIETY FOR SCIENCE & THE PUBLIC (D/B/A SOCIETY FOR SCIENCE) AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services					Supporting Services			
	Science Education Programs	**Science News**	**Alumni**	**Special Initiatives**	**Total Program Services**	**General and Administrative**	**Development**	**Total Supporting Services**	**Total Expenses**
Salaries and benefits	$ 5,656,247	$ 5,938,150	$ 599,504	$ -	$ 12,193,901	$ 1,625,230	$ 1,767,846	$ 3,393,076	$ 15,586,977
Professional fees and services	3,814,160	1,204,191	27,959	233,186	5,279,496	540,851	308,482	849,333	6,128,829
Awards, scholarships and grants	5,124,534	-	-	-	5,124,534	-	-	-	5,124,534
Travel, entertainment and events	4,227,879	87,651	28,836	-	4,344,366	26,241	20,489	46,730	4,391,096
Printing, production and postage	206,853	3,201,988	608	-	3,409,449	11,729	597,481	609,210	4,018,659
Technology	1,286,033	923,967	85,975	-	2,295,975	164,786	342,166	506,952	2,802,927
Real estate occupancy and utilities	659,857	311,778	19,757	-	991,392	636,842	77,056	713,898	1,705,290
Other administrative expense	252,223	119,517	606	-	372,346	372,544	38,360	410,904	783,250
Marketing and promotion	356,085	279,812	3,295	-	639,192	-	74,228	74,228	713,420
Equipment and supplies	282,351	8,788	845	-	291,984	-	1,325	1,325	293,309
TOTAL	**$ 21,866,222**	**$ 12,075,842**	**$ 767,385**	**$ 233,186**	**$ 34,942,635**	**$ 3,378,223**	**$ 3,227,433**	**$ 6,605,656**	**$ 41,548,291**

SOCIETY FOR SCIENCE & THE PUBLIC (D/B/A SOCIETY FOR SCIENCE) AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services					Supporting Services			
	Science Education Programs	Science News	Alumni	Special Initiatives	Total Program Services	General and Administrative	Development	Total Supporting Services	Total Expenses
Salaries and benefits	$ 5,407,808	$ 5,598,899	$ 507,306	$ 24,167	$ 11,538,180	$ 1,248,149	$ 1,671,123	$ 2,919,272	$ 14,457,452
Professional fees and services	4,336,354	1,107,786	54,555	169,355	5,668,050	991,715	273,971	1,265,686	6,933,736
Awards, scholarships and grants	5,167,124	2,000	-	-	5,169,124	10,083	-	10,083	5,179,207
Printing, production and postage	214,022	3,053,490	1,090	392	3,268,994	2,353	575,937	578,290	3,847,284
Travel, entertainment and events	3,028,197	110,007	8,732	3,555	3,150,491	28,552	31,602	60,154	3,210,645
Technology	1,381,775	822,186	137,634	-	2,341,595	100,863	360,013	460,876	2,802,471
Real estate occupancy and utilities	686,631	261,628	16,832	-	965,091	49,980	67,866	117,846	1,082,937
Other administrative expense	188,957	304,311	1,252	-	494,520	447,668	23,033	470,701	965,221
Marketing and promotion	353,653	239,095	3,165	-	595,913	-	86,624	86,624	682,537
Equipment and supplies	304,813	14,241	1,218	-	320,272	1,179	2,169	3,348	323,620
TOTAL	**$ 21,069,334**	**$ 11,513,643**	**$ 731,784**	**$ 197,469**	**$ 33,512,230**	**$ 2,880,542**	**$ 3,092,338**	**$ 5,972,880**	**$ 39,485,110**

See accompanying notes to consolidated financial statements.

SOCIETY FOR SCIENCE & THE PUBLIC (D/B/A SOCIETY FOR SCIENCE) AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 51,910,880	$ 26,638,516
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	224,691	11,862
Unrealized and realized gain	(1,377,566)	(2,006,430)
Accrued postretirement benefit adjustment	(287,000)	137,000
Permanently restricted contributions	(26,545)	(37,969)
Change in discount on long-term receivables	6,410,671	1,448,002
Change in valuation allowance on Regeneron STS commitment	75,000,000	-
Change in allowance for credit losses	(77,687)	55,041
Amortization of right-of-use asset	644,678	310,102
Decrease (increase) in:		
Accounts receivable, net	453,729	(274,056)
Grants and pledges receivable	(126,002,961)	(20,406,014)
Prepaid expenses and other assets	(332,750)	110,786
Other assets	742,464	(167,266)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(183,402)	131,890
Accrued salaries and related benefits	52,210	12,044
Awards payable	(16,805)	209,161
Deferred revenue	(150,353)	149,594
Accrued postretirement benefits	(7,000)	(24,000)
Operating lease liability	(644,678)	(310,102)
Net cash provided by operating activities	6,332,576	5,988,161
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of mortgage loan receivable	(11,500,000)	-
Purchases of fixed assets	(1,865,153)	(1,138,895)
Purchase of investments	(9,831,607)	(14,389,580)
Proceeds from sale of investments	21,681,509	2,054,525
Net cash used by investing activities	(1,515,251)	(13,473,950)
CASH FLOWS FROM FINANCING ACTIVITIES		
Donation to restricted endowment	26,545	37,969
Net cash provided by financing activities	26,545	37,969
Net increase (decrease) in cash and cash equivalents	4,843,870	(7,447,820)
Cash and cash equivalents at beginning of year	8,343,720	15,791,540
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 13,187,590**	**$ 8,343,720**
SCHEDULE OF NONCASH TRANSACTIONS:		
Right-of-Use Asset	**$ -**	**$ 954,780**
Operating Lease Liability for Right-of-Use Asset	**$ -**	**$ 954,780**
Acquisition of Land and Building through Foreclosure in Satisfaction of Mortgage Loan Receivable	**$ 11,500,000**	**$ -**

See accompanying notes to consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Society for Science & the Public (d/b/a Society for Science) (the Society) is a non-profit organization incorporated in 1921 under the laws of the State of Delaware for the purpose of promoting public understanding of science. The Society's operations are financed primarily through subscription revenues and grants from private foundations and corporations. The Society's principal activities include the publication of the bi-weekly news magazine Science News and the administration of science competitions for middle school and high school students. In November 2020, the Society adopted the "doing business as" name of Society for Science. The Society's official corporate name is Society for Science & the Public.

Society 1776 Mass Ave LLC (the LLC) is limited liability company organized under the laws of Washington, D.C. in 2024, of which Society for Science is the sole member. The LLC was formed for the purpose of owning and operating real estate occupied by Society for Science. The LLC is a disregarded entity for income tax purposes.

Program Services -

- **Science Education Programs -** For decades, Society for Science has offered world-class science and engineering research competitions for young people. The Regeneron Science Talent Search (Regeneron STS) is the nation's oldest and most prestigious science and math competition for high school seniors. The Regeneron International Science and Engineering Fair (Regeneron ISEF) is the world's largest global science competition for high schoolers. The Thermo Fisher Scientific Junior Innovators Challenge (Thermo Fisher JIC) is the Society's premier middle school STEM competition for U.S. students in grades six through eight. Through these competitions, the Society encourages and rewards independent scientific research and project-based learning while growing the pipeline of future STEM professionals. In 2015, the Society expanded its STEM Outreach Programs, to ensure that every young person in the United States with an interest in STEM, has the opportunity to become a scientist or engineer. The Advocate Program is a year-long professional development program that supports teachers and mentors who are working to increase the number of students who enter STEM research competitions. Two annual Research Teachers Conferences, one for middle school teachers and one for high school teachers, bring together science research teachers to share best practices, troubleshoot challenges and develop a support network for teachers who lead students in scientific research. The Society's STEM Research Grants help teachers expand and enhance independent research programs for students, and our STEM Action Grants provide catalytic funds for innovative community-based STEM organizations. These programs reach millions of students, educators and community members across the United States, the District of Columbia and U.S. territories.

- **Science News -** Society for Science was founded in 1921 with a mission to provide in-depth, trustworthy, accurate science journalism for the public. Since then, our offerings have grown to include our flagship print magazine *Science News* and its website. We also created *Science News Explores*, where younger readers, their families and teachers can explore new discoveries across science, technology, engineering, and medicine, and learn how research helps us all understand our world and our lives. Through its Science News Learning program, the Society provides *Science News* magazine and supplementary educator guides to more than 5,800 middle and high schools across the U.S., making current science accessible to students and educators.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Program Services (continued) -

- **Science News (continued) -** *Science News* has an average circulation of approximately 120,000 copies, 9.8 million unique online users and more than 22 million unique page views in 2024. *Science News* has 8 million followers across Facebook, Instagram, X, Threads, YouTube and TikTok and has a strong presence on Reddit. *Science News Explores* print magazine has nearly 26,000 individual subscribers, while the website drew more than 10 million unique visitors in 2024 and nearly 1 million Facebook followers.

- **Alumni -** Launched in 2014, the Society's Alumni Program fosters a vibrant and interconnected global community of 80,000 accomplished individuals who participated in the Science Talent Search (STS), the International Science and Engineering Fair (ISEF), and the Society's middle school STEM research competition. Through online networks, enriching events and meaningful volunteer opportunities, the program empowers alumni to connect with each other, the Society and the next generation of scientific leadership.

- **Special Initiatives -** These are special projects geared toward the betterment of the Society overall and supported by board approved funding.

- **General and Management -** Activities associated with the Society’s administrative functions which include Executive Team, Human Resources and Accounting in support of the Organization.

- **Development -** Activities associated with fundraising efforts to secure unrestricted and restricted contributions and donations that directly support the Society's programs and general operations.

Principles of consolidation -

The accounts of Society for Science have been consolidated with those of Society 1776 Mass Ave LLC, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that financially interrelated organizations be consolidated. All intercompany transactions and balances have been eliminated.

Basis of presentation -

The accompanying consolidated 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 follows:

- **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". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Basis of presentation (continued) -

- **Net Assets with Donor Restrictions -** Net assets may be subject to donor-imposed stipulations that are more restrictive than the Society's mission and purpose. Some donor-imposed restrictions 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Cash and cash equivalents -

The Society considers all cash and other highly liquid investments, including certificates of deposit, with maturities of three months or less to be cash equivalents, and excluding money market funds held by investment managers in the amount of $7,488,404 and $12,245,474 for the years ended December 31, 2024 and 2023, respectively.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to a limit of $250,000. At times during the year, the Society 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 Consolidated Statements of Activities and Changes in Net Assets.

Receivables -

Accounts receivable primarily consists of amounts due within one year related to Magazine subscriptions, Conference and other, and Advertising and other. 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 and a forecast of future economic conditions. 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.

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 - Science education programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Property and equipment -

Property and equipment in excess of $5,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally 3 to 39 years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the years ended December 31, 2024 and 2023 totaled $224,691 and $11,862, respectively.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to the Consolidated Statements of Activities and Changes in Net Assets, to its current fair value.

Awards payable -

Awards payable are recorded when unconditionally awarded to middle and high school students each year under the Regeneron Science Talent Search (STS), Thermo Fisher Junior Innovators Challenge (JIC), Intel International Science and Engineering Fair (ISEF), and other award programs. Awards are generally paid out in installments over a four-year period. However, because substantially all payments are available to be paid out to the winner immediately upon the submission of proper documentation, the awards are not discounted to present value. To receive the payment, students must generally be enrolled in a college or university.

Income taxes -

The Society 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 consolidated financial statements. The Society is not a private foundation.

Support from grants and contributions -

Contributions are recognized in the appropriate category of net assets in the period received. The Society performs an analysis of the individual contribution agreements to determine if the funding streams follow the contribution rules or if they should be recorded as exchange transactions depending upon whether the transaction is deemed nonreciprocal or reciprocal 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 consolidated financial statements.

Conditional contributions contain a right of return and a measurable barrier and are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, the Society had no refundable advances as of December 31, 2024 and 2023.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Support from grants and contributions (continued) -

In addition, the Society may obtain funding source agreements related to conditional contributions, which will be recognized in future years. Unrecognized conditional contributions There were no unrecognized conditional contributions as of December 31, 2024 and 2023.

Contributed non-financial assets -

Contributed non-financial assets are recorded at their fair value as of the date of the gift and consisted of contributed services. 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 the Society. The contributed nonfinancial assets were restricted by the donors in support of a specific program.

Revenue from contracts with customers -

The Society's magazine subscriptions, conference and other, advertising and other and rental income are the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. The Society has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue.

Revenue from contracts with customers is derived primarily from Science *News* and scientific education programs. Science *News* consists of primarily subscription, advertising and licensing revenue. Subscription revenue relates to publications periodically through the year and is recognized as income over the term of the subscription, generally one to two years.

Deferred subscription revenue represents the unearned portion of subscriptions received by the Society as of December 31. Advertising revenue relates to advertising in those publications and is recognized as the respective issues are published. Scientific education programs consist primarily of revenue derived from fees related to ISEF. Revenue is recognized over the period when the services are provided. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. The Society did not have any impairments from contracts with customers. There are no incremental costs on obtaining a contract and no significant financing components. In addition, there were no significant changes in the judgments affecting the determination of the amount and timing of revenue from contracts with customers.

Rental income consists of fees charged to subtenants for use of office space at the Society's property at 1776 Mass Avenue NW, Washington D.C. The subleases expire at various dates through September 2029. The following is a schedule of the future minimum lease income:

Year Ending December 31,	
2025	$ 2,068,794
2026	1,566,992
2027	563,386
2028	563,386
2029	214,973
	$ 4,977,531

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Use of estimates -

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

Functional allocation of expenses -

The costs of providing the various program and supporting services have been summarized on a functional basis in the Consolidated Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the program and supporting services benefited. All expenses specifically identifiable to a grant, program activity or project are charged directly to the department for that activity.

Expenses specifically for general and administrative organizational support, such as finance, human resources and positions of executive office and board costs are directly charged to departments which are included as general and administrative. Other costs not readily associated with a specific grant or program activity, nor general and administrative expenses, are pooled as common support costs and allocated to each program based on the total direct expenses for each function. Common costs are those support costs that apply across the Organization, such as information technology, facilities, internal marketing and design, communications and part of executive support.

Operations -

The Society considers investment income, the accrued postretirement benefit adjustment, and other significant incidental activities as non-operating activities. All other activities are considered operating activities.

Risks and uncertainties -

The Society 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 consolidated financial statements.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, the Society 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.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Investments recorded in the Consolidated Statements 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 the Society 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.

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 years ended December 31, 2024 and 2023. 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.
- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Society are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Society are deemed to be actively traded.
- *U.S. Government Securities* - Valued at the closing price reported in the active market in which the individual securities are traded.

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 7,488,404	$ -	$ -	$ 7,488,404
Equities	3,845,206	-	-	3,845,206
Mutual funds	17,916,136	-	-	17,916,136
U.S. Government securities	2,006,560	-	-	2,006,560
TOTAL INVESTMENTS	**$ 31,256,306**	**$ -**	**$ -**	**$ 31,256,306**

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 12,245,474	$ -	$ -	$ 12,245,474
Equities	5,498,227	-	-	5,498,227
Mutual funds	21,988,201	-	-	21,988,201
U.S. Government securities	1,996,740	-	-	1,996,740
TOTAL INVESTMENTS	**$ 41,728,642**	**$ -**	**$ -**	**$ 41,728,642**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Included in net investment return are the following:

	2024	2023
Interest and dividends	$ 1,485,776	$ 1,509,205
Unrealized and realized gain	1,377,566	2,006,430
Investment expenses	(103,815)	(118,275)
NET INVESTMENT RETURN	**$ 2,759,527**	**$ 3,397,360**

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

The Society has received written promises to give from donors totaling $190,229,957 and $64,226,996, respectively, as of December 31, 2024 and 2023. 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 4.36%.

Following is a schedule of amounts due, by year, as of December 31, 2024 and 2023:

	2024	2023
Less than one year	$ 22,464,415	$ 20,338,715
One to five years	77,765,542	43,888,281
Beyond five years	90,000,000	-
Total	190,229,957	64,226,996
Less: Allowance to discount balance to present value	(10,068,461)	(3,657,790)
Less: Valuation allowance for Regeneron STS commitment	(75,000,000)	-
GRANTS AND CONTRIBUTIONS RECEIVABLE, NET	**$ 105,161,496**	**$ 60,569,206**

The Society receives several significant contributions from Regeneron in support of its science competitions.

In 2024, Regeneron entered into a 10-year, $150,000,000 grant commitment with the Society to sponsor STS. Due to the extended length of the pledge term and potential uncertainties associated with the future commitment, total potential gross payments of $75,000,000 due from Regeneron over the course of the grant term have not been included within the grants receivable balance as December 31, 2024. The remaining commitment under the agreement will be assessed each year for collectability, and management will adjust the valuation allowance each year based on its assessment.

4. CONTRACT ASSETS AND CONTRACT LIABILITIES

Accounts receivable, net consisted of the following revenue streams as of:

	December 31, 2024	December 31, 2023	January 1, 2023
Magazine subscriptions	$ 155,045	$ 523,972	$ 203,924
Conference and other	17,307	95,898	171,953
Rental income	29,454	-	-
Advertising and other	143,542	179,207	149,143
Less: Allowance for credit losses	(25,114)	(102,801)	-
Less: Allowance for doubtful accounts	-	-	(47,760)
TOTAL ACCOUNTS RECEIVABLE, NET	**$ 320,234**	**$ 696,276**	**$ 477,260**

4. CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

The allowance for credit losses consisted of the following as of and for the year ended December 31, 2024:

Allowance for credit losses, beginning of year	$ 102,801
Deductions (write-offs, net of recoveries)	(77,687)
ALLOWANCE FOR CREDIT LOSSES, END OF YEAR	**$ 25,114**

Deferred revenue consisted of the following revenue streams as of:

	December 31, 2024	December 31, 2023	January 1, 2023
Magazine subscriptions	$ 3,452,708	$ 3,912,102	$ 3,691,598
Conference and other	455,775	355,891	457,236
Rental income	187,926	-	-
Advertising and other	69,174	47,943	17,508
TOTAL DEFERRED REVENUE	**$ 4,165,583**	**$ 4,315,936**	**$ 4,166,342**

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2024 and 2023:

	2024	2023
Land	$ 8,419,452	$ 26,946
Buildings	5,906,256	1,521,182
Furniture	681,145	612,236
Computer equipment	725,666	725,666
Vehicles	24,945	24,945
Capitalized software	2,617,465	2,098,801
Total property and equipment	18,374,929	5,009,776
Less: Accumulated depreciation and amortization	3,877,075	(3,652,384)
NET PROPERTY AND EQUIPMENT	**$ 22,252,004**	**$ 1,357,392**

During 2024, the Society acquired commercial property consisting of the land and building located at 1776 Massachusetts Avenue NW, Washington D.C. through the purchase of a mortgage loan and subsequent foreclosure and auction process. The Society initially purchased the mortgage loan secured by the property for $11,500,000, with the intention of pursuing acquisition of the secured property through foreclosure. Upon foreclosure, the Society obtained the title to the property at auction for a sale price of $10,000,000. Based on the terms of the foreclosure auction, the Society had the ability to issue a credit bid for any amount up to the $11,500,000 price of the mortgage note without incurring additional costs to acquire the title. The Society elected to submit a credit bid of $10,000,000 to provide a cushion to counter any other potential bids, while remaining below the purchase price of the mortgage loan. The Society intends to hold and use the property as its primary office space for programmatic and administrative purposes.

5. PROPERTY AND EQUIPMENT (Continued)

In reviewing applicable U.S. GAAP, management has determined that the value of the purchased property should be accounted for in accordance with Accounting Standards Codification (ASC) 360 - *Property, Plant, and Equipment* which governs the accounting for long-lived tangible assets held for use. Accordingly, the property is valued at the historical cost of acquiring the asset, including the costs necessarily incurred to bring it to the condition necessary for its intended use. Such costs included the purchase price of the loan of $11,500,000 and acquisition related and transaction costs of $1,093,078, for total capitalized costs of $12,593,078.

The total capitalized costs are allocated between land and buildings based on an estimated relative fair value approach. Approximately two-thirds of the value, $8,392,506, was allocated to land, and approximately one-third, $4,200,572, was allocated to buildings. The building component is being depreciated over an estimated useful life of 39 years using the straight-line method.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2024:

	January 1, 2024	Additions and Reclassifications	Releases from Restrictions	December 31, 2024
ISEF sponsorships and awards	$ 24,957,434	$ 2,614,892	$ (6,597,925)	$ 20,974,401
STS sponsorships and awards, including Outreach and Membership	29,806,282	66,752,784	(12,319,771)	84,239,295
JIC sponsorships and awards	292,201	240,272	(295,898)	236,575
Capital Campaign	10,916,443	1,083,557	(11,512,000)	488,000
Other	4,833,490	4,543,863	(3,817,711)	5,559,642
Endowment	4,468,543	26,545	-	4,495,088
Accumulated endowment earnings	5,068	35,746	-	40,814
TOTAL	**$ 75,279,461**	**$ 75,297,659**	**$ (34,543,305)**	**$ 116,033,815**

Net assets with donor restrictions consist of the following at December 31, 2023:

	January 1, 2023	Additions and Reclassifications	Releases from Restrictions	December 31, 2023
ISEF sponsorships and awards	$ 1,378,524	$ 24,927,307	$ (1,348,397)	$ 24,957,434
STS sponsorships and awards, including Outreach and Membership	41,345,536	1,108,786	(12,648,040)	29,806,282
JIC sponsorships and awards	325,739	361,865	(395,403)	292,201
Capital Campaign	-	10,916,443	-	10,916,443
Other	4,855,835	3,736,357	(3,758,702)	4,833,490
Endowment	4,258,862	209,681	-	4,468,543
Accumulated endowment earnings (losses)	(29,027)	302,716	(268,621)	5,068
TOTAL	**$ 52,135,469**	**$ 41,563,155**	**$ (18,419,163)**	**$ 75,279,461**

7. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statements of Financial Position date comprise the following:

	2024	2023
Cash and cash equivalents	$ 13,187,590	$ 8,343,720
Investments	31,256,306	41,728,642
Grants and contributions receivable, net	105,161,496	60,569,206
Accounts receivable, net	320,234	696,276
Subtotal financial assets available within one year	149,925,626	111,337,844
Less: Donor-restricted funds	(116,033,815)	(75,279,461)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	**$ 33,891,811**	**$ 36,058,383**

The endowment fund is donor-restricted. A portion of the income from the donor-restricted endowment may be available for general use according to the endowment's spending policy.

While the Society does not have a liquidity policy, grant funds and funds without donor restrictions that are received during the course of the year are deposited in the Society's operating checking account and used to cover day-to-day operations. Funds designated for student awards due or certain restricted purposes are segregated in separate bank accounts and transferred to the operating account as required to fund those expenses. In the case where the operating funds available dip below those required to meet near-term expenses, funds are borrowed from the student amount and repaid when additional funds are received. Additionally, with the approval of the Society's Board, certain operating expenses are funded using invested funds, and funds are transferred from the investments to the operating checking account periodically to cover those expenses.

8. CONTRIBUTED NON-FINANCIAL ASSETS

During the years ended December 31, 2024 and 2023, the Society was the beneficiary of donated services which allowed the Society to provide greater resources toward various programs. Donated services have been recorded based on their fair value which has been estimated based on the cost of such services in the Society's principal market.

Contributed non-financial assets have donor-imposed restrictions associated with supporting Science Education programs during the years ended December 31, 2024 and 2023. To properly reflect total program expenses, the following donations have been included in revenue and expense for the years ended December 31, 2024 and 2023:

	2024	2023
Donated IT services	$ 720,000	$ 720,000
Donated ISEF adult mixer and museum	-	223,000
Donated translation services	50,000	50,000
TOTAL CONTRIBUTED NON-FINANCIAL ASSETS	**$ 770,000**	**$ 993,000**

8. CONTRIBUTED NON-FINANCIAL ASSETS (Continued)

The following programs have benefited from these donated services:

	2024	2023
Science Education Programs	$ 444,781	$ 671,139
Science News	218,415	214,985
Alumni	13,855	13,831
General and Administrative	38,914	39,277
Development	54,035	53,768
TOTAL PROGRAMS BENEFITED	**$ 770,000**	**$ 993,000**

9. LEASE COMMITMENTS

The Society follows FASB ASC 842 for leases. The Society has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. The Society has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

The Society had an operating lease for office space at 1701 Rhode Island Avenue, NW in Washington, D.C., which expired December 2024. The lease had monthly payments of approximately $55,000 per month.

For the years ended December 31, 2024 and 2023, respectively, total lease cost was $660,000 and $551,501, respectively. Total cash paid for operating leases was $660,000 and $544,710, respectively. Lease expense is included within Real estate occupancy and utilities in the accompanying Consolidated Statements of Functional Expenses. The operating lease liability was discounted at a rate of 5.16%.

For the year ended December 31, 2024, total amortization on the right-of-use asset was $644,678.

10. RETIREMENT PLAN

The Society sponsors a defined contribution retirement plan (the Plan). Full time employees at least 21 years old are eligible for an employer contribution. Employees are fully and immediately vested in the Society's contributions upon entry into the Plan. The Society makes contributions to the Plan of 3% of compensation for all eligible employees, and 7% for all eligible employees who elect to defer at least 5% of compensation.

Contributions to the Plan during the years ended December 31, 2024 and 2023 totaled $1,081,860 and $996,246, respectively.

11. POSTRETIREMENT BENEFITS

The Society maintains a postretirement healthcare benefit plan (the postretirement plan), which it froze in June 2008. Participation in the Plan remains open to all employees hired prior to June 30, 2008. Under the Plan, an employee becomes eligible to receive benefits if, upon retirement, the sum of the employee's age and years of service with the Society is at least 85 years. The Plan was unfunded at December 31, 2024 and 2023, as the Society does not maintain Plan assets.

11. POSTRETIREMENT BENEFITS (Continued)

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act) introduces a prescription drug benefit under Medicare (Medicare Part D) that provides several options for Medicare eligible participants and employers, including a Federal subsidy payable to companies that elect to provide a retiree prescription drug benefit which is at least actuarially equivalent to Medicare Part D. As of December 31, 2024 and 2023, the Society had not applied for the Federal subsidy. Therefore, no Federal subsidy is reflected in the valuation of the postretirement plan for the years ended December 31, 2024 and 2023.

The postretirement benefit obligation, included in the Consolidated Statements of Financial Position, consists of the following changes that have been recognized in the Consolidated Statements of Activities and Changes in Net Assets for the years ended December 31, 2024 and 2023:

	2024	2023
Accumulated benefit obligation, beginning	$ 1,943,000	$ 1,830,000
Benefits paid	(24,000)	(24,000)
Service cost-benefits earned during the period	30,000	34,000
Interest cost on projected benefit obligation	91,000	91,000
Unrecognized loss amortization	(104,000)	(125,000)
Net (loss) gain during the year	(287,000)	137,000
ACCUMULATED BENEFIT OBLIGATION, ENDING	**$ 1,649,000**	**$ 1,943,000**

The net periodic benefit cost included in operations consists of the following components for the years ended December 31, 2024 and 2023:

	2024	2023
Service costs	$ 30,000	$ 34,000
Interest cost on projected benefit obligation	91,000	91,000
Amortization of net loss	(104,000)	(125,000)
NET PERIODIC BENEFIT COST	**$ 17,000**	**$ -**

Amounts in net assets without donor restrictions that have not yet been recognized in operations as a net periodic benefit cost include the following as of December 31, 2024 and 2023:

	2024	2023
Unrecognized gain, beginning of the year	$ 920,000	$ 1,057,000
Net gain (loss) during the year	287,000	(137,000)
UNRECOGNIZED GAIN, END OF YEAR	**$ 1,207,000**	**$ 920,000**

The amount of the unrecognized gain expected to be recognized in net periodic benefit cost during the fiscal year ending December 31, 2024 is $(174,000).

The other postretirement benefit charges included in non-operating items as the accrued postretirement benefit adjustment consist of the following components for the years ended December 31, 2024 and 2023:

	2024	2023
Amortization of Net Gain	**$ 270,000**	**$ (137,000)**

11. POSTRETIREMENT BENEFITS (Continued)

The postretirement benefit obligation was determined using the following rates for the years ended December 31, 2024 and 2023:

	2024	2023
Discount rate for net periodic benefit cost	4.75%	5.00%
Discount rate for obligations at year-end	5.50%	4.75%
Healthcare cost trend rate assumed for next year	5.60%	5.80%
Ultimate rate	5.00%	5.00%

The mortality table used in the calculation of the postretirement plan's liability was the PRIH-2012 mortality table for white-collar employees and annuitants projected using generational mortality improvement scale MP-2021 for the years ended December 31, 2024 and 2023. Based on current data and assumptions, estimated future benefits expected to be paid from the postretirement plan are as follows:

Years Ending December 31,	
2025	$ 35,000
2026	56,000
2027	63,000
2028	66,000
2029	69,000
2030 - 2034	411,000
TOTAL	**$ 700,000**

12. CONCENTRATION OF REVENUE

The Society is the recipient of several significant grants from Regeneron Pharmaceuticals, Inc. (Regeneron). At December 31, 2024 and 2023, approximately 93%, and 83%, respectively, of the Society's unconditional grants receivable were comprised of amounts due from Regeneron.

During the years ended December 31, 2024 and 2023, approximately 71% and 52%, respectively, of the Society's total support and revenue was derived from grants awarded by Regeneron.

13. COMMITMENTS AND CONTINGENCIES

Line of credit: During 2016, the Society entered into an arrangement with a financial institution to secure the corporate credit card. The card is supported by an unsecured $500,000 line of credit. The outstanding credit card balances were $90,627 and $80,382 at December 31, 2024 and 2023, respectively. No interest expense related to the line of credit was incurred during either of the years ended December 31, 2024 and 2023.

Hotel contracts: The Society has contracts with various hotels and convention centers for future events. In the event that the Society cancels, it may be held liable for liquidated damages incurred by the burdened entity as calculated in accordance with the terms of the applicable agreement.

14. ENDOWMENT

Since 2012, the Society has received endowment gifts for which the income is meant to be used for supporting or expanding programs that impact K-12 students or education. However, the donor also provided flexibility to the Society to use income from this fund for general operating expenses if necessary. The Society's endowment funds consist of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law -

The Society has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the District of Colombia as requiring the preservation of the fair value of the original gift made to the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result, of this interpretation, the Society classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Additionally, in accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Society and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the Society.

Return Objectives and Risk Parameters -

The Society adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The investment portfolio is intended to produce returns higher than specified market indices while assuming a moderate level of risk.

Strategies Employed for Achieving Objectives -

To satisfy its long-term objectives, the Society will rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society will target a diversified asset allocation to achieve its long-term return objectives.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

In accordance with the endowment’s terms, annual earnings equal to 3% of the invested corpus will be added to the total corpus. The remaining portion of the annual earnings will be reflected as net assets with donor restrictions until appropriated for expenditure. Appropriations are made at the discretion of management to support or expand programs with an emphasis on those that impact K-12 students and education.

Management also has the discretion to appropriate funds to offset expenses related to the development and administration of such programs.

14. ENDOWMENT (Continued)

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Society to maintain as a fund of perpetual duration. However, there were no funds with deficiencies as of December 31, 2024 and 2023.

Endowment net asset composition by type of fund as of December 31, 2024:

	With Donor Restrictions
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 4,495,088
Accumulated investment gains	40,814
TOTAL ENDOWMENT FUNDS	**$ 4,535,902**

Changes in endowment net assets for the year ended December 31, 2024:

	With Donor Restrictions
Endowment net assets, beginning of year	$ 4,473,611
Investment income, net	35,746
Contributions	26,545
ENDOWMENT NET ASSETS, END OF YEAR	**$ 4,535,902**

Endowment net asset composition by type of fund as of of December 31, 2023:

	With Donor Restrictions
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 4,468,543
Accumulated investment earnings	5,068
TOTAL ENDOWMENT FUNDS	**$ 4,473,611**

Changes in endowment net assets for the year ended of December 31, 2023:

	With Donor Restrictions
Endowment net assets, beginning of year	$ 4,229,835
Investment return, net	302,716
Contributions	37,969
Appropriation of endowment assets for expenditure	(268,621)
Other changes	171,712
ENDOWMENT NET ASSETS, END OF YEAR	**$ 4,473,611**

15. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through August 26, 2025, the date the consolidated financial statements were issued.