Consolidated Financial Statements

SOCIETY FOR SCIENCE

Society for Science & the Public
and Subsidiary

For the Years Ended
December 31, 2025 and 2024

Society for Science & the Public (d/b/a Society for Science) and Subsidiary

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For the Years Ended December 31, 2025 and 2024

CPAs & ADVISORS

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 and 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, 2025 and 2024, 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 accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Society as of December 31, 2025 and 2024, and the consolidated changes in its net assets and its consolidated 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 (GAAS). 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 audits. 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.

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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.

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 6, 2026

Society for Science & the Public (d/b/a Society for Science) and Subsidiary

Consolidated Statements of Financial Position
As of December 31, 2025 and 2024

ASSETS

	2025	2024
Cash and cash equivalents	$ 13,525,767	$ 13,187,590
Investments	40,042,803	31,256,306
Grants and contributions receivable, net	94,830,773	105,161,496
Accounts receivable, net	356,733	320,234
Prepaid expenses and other assets	527,090	905,407
Property and equipment, net	16,412,532	14,497,854
Total Assets	$ 165,695,698	$ 165,328,887

LIABILITIES AND NET ASSETS

	2025	2024
LIABILITIES		
Accounts payable and accrued liabilities	$ 1,486,206	$ 954,818
Accrued salaries and related benefits	1,428,529	1,251,636
Awards payable	5,018,451	5,272,734
Deferred revenue	5,041,592	4,165,583
Accrued postretirement benefits	1,824,000	1,649,000
Total liabilities	14,798,778	13,293,771
NET ASSETS		
Without donor restrictions	43,245,010	36,001,301
With donor restrictions	107,651,910	116,033,815
Total net assets	150,896,920	152,035,116
Total Liabilities and Net Assets	$ 165,695,698	$ 165,328,887

See accompanying notes to consolidated financial statements.

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, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions - Science education programs	$ 11,102,770	$ 13,830,479	$ 24,933,249
Magazine subscriptions	3,069,161	-	3,069,161
Conference and other	1,403,272	-	1,403,272
Advertising and other	1,491,626	-	1,491,626
Contributed nonfinancial assets	808,400	-	808,400
Rental income	2,287,565	-	2,287,565
Net assets released from donor restrictions	22,373,686	(22,373,686)	-
Total support and revenue	42,536,480	(8,543,207)	33,993,273
EXPENSES			
Program Services:			
Science Education Programs	20,941,472	-	20,941,472
Science News	12,870,724	-	12,870,724
Alumni	384,391	-	384,391
Total program services	34,196,587	-	34,196,587
Supporting Services:			
General and Administrative	5,033,243	-	5,033,243
Development	3,232,604	-	3,232,604
Total supporting services	8,265,847	-	8,265,847
Total expenses	42,462,434	-	42,462,434
Changes in net assets before other items	74,046	(8,543,207)	(8,469,161)
OTHER ITEMS			
Net investment return	3,137,297	161,302	3,298,599
Gain on sale of buildings	4,296,366	-	4,296,366
Accrued postretirement benefit adjustment	(264,000)	-	(264,000)
Total other items	7,169,663	161,302	7,330,965
Changes in net assets	7,243,709	(8,381,905)	(1,138,196)
Net assets at beginning of year	36,001,301	116,033,815	152,035,116
Net Assets at End of Year	$ 43,245,010	$ 107,651,910	$ 150,896,920

See accompanying notes to consolidated financial statements.

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 nonfinancial 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
Total other items	3,010,781	35,746	3,046,527
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 Functional Expenses
For the Year Ended December 31, 2025

	Program Services				Supporting Services			
	Science Education Programs	**Science News**	**Alumni**	**Total Program Services**	**General and Administrative**	**Development**	**Total Supporting Services**	**Total Expenses**
Salaries and benefits	$ 5,927,806	$ 6,470,885	$ 284,242	$ 12,682,933	$ 1,985,808	$ 1,782,169	$ 3,767,977	$ 16,450,910
Professional fees and services	4,172,700	1,235,374	13,370	5,421,444	634,893	385,116	1,020,009	6,441,453
Awards, scholarships, and grants	5,168,961	-	-	5,168,961	-	1,494	1,494	5,170,455
Printing, production, and postage	148,793	3,354,974	144	3,503,911	(13,438)	618,349	604,911	4,108,822
Travel, entertainment, and events	2,896,802	89,198	31,563	3,017,563	18,055	26,020	44,075	3,061,638
Technology	1,375,541	1,066,599	45,968	2,488,108	157,427	274,195	431,622	2,919,730
Real estate occupancy and utilities	206,583	127,304	3,723	337,610	1,811,870	33,854	1,845,724	2,183,334
Marketing and promotion	573,359	407,329	4,631	985,319	706	85,046	85,752	1,071,071
Other administrative expenses	195,778	106,997	42	302,817	420,692	22,322	443,014	745,831
Equipment and supplies	275,149	12,064	708	287,921	17,230	4,039	21,269	309,190
Total	$ 20,941,472	$ 12,870,724	$ 384,391	$ 34,196,587	$ 5,033,243	$ 3,232,604	$ 8,265,847	$ 42,462,434

See accompanying notes to consolidated financial statements.

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 expenses	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

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, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (1,138,196)	$ 51,910,880
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	270,112	224,691
Unrealized and realized gains	(1,943,956)	(1,377,566)
Donated securities received	(337,787)	(17,897)
Proceeds from sale of donated securities	334,284	17,892
Accrued postretirement benefit adjustment	264,000	(287,000)
Contributions restricted in perpetuity	(227,316)	(26,545)
Discount on long-term receivables	(1,701,021)	6,410,671
Changes in valuation allowance on Regeneron STS commitment	-	75,000,000
Changes in allowance for credit losses	1,936	(77,687)
Gain on sale of buildings	(4,296,366)	-
Amortization of right-of-use asset	-	644,678
(Increase) decrease in:		
Accounts receivable	(38,435)	453,729
Grants and pledges receivable	12,031,744	(126,002,961)
Prepaid expenses and other assets	378,317	(332,750)
Increase (decrease) in:		
Accounts payable and accrued liabilities	531,388	(183,402)
Accrued salaries and related benefits	176,893	52,210
Awards payable	(254,283)	(16,805)
Deferred revenue	876,009	(150,353)
Accrued postretirement benefits	(89,000)	(7,000)
Operating lease liability	-	(644,678)
Net cash provided by operating activities	4,838,323	5,590,107
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of mortgage loan receivable	-	(11,500,000)
Purchases of fixed assets	(2,211,736)	(1,865,153)
Proceeds from sale of fixed assets	4,323,312	-
Purchases of investments	(12,871,595)	(9,813,710)
Proceeds from sale of investments	6,032,557	21,663,617
Net cash used by investing activities	(4,727,462)	(1,515,246)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted in perpetuity	227,316	26,545
Net cash provided by financing activities	227,316	26,545
Net increase in cash and cash equivalents	338,177	4,101,406
Cash and cash equivalents at beginning of year	13,187,590	8,343,720
Cash and Cash Equivalents at End of Year	$ 13,525,767	$ 12,445,126

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, 2025 and 2024

	2025	2024
SCHEDULE OF NONCASH TRANSACTIONS		
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

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 grants from private foundations, corporations, individual donations, and earned revenues from subscriptions, content licensing, and advertising. The Society's principal activities include the publication of the news magazine Science News and its sister publication Science News Explores, 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 a 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.

1. Summary of Significant Accounting Policies (Continued)

Program Services (Continued)

- **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. *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 Administrative -** Activities associated with the Society’s administrative functions which includes the 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.

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with 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". Net assets set aside solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.

- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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 initial maturities of three months or less to be cash equivalents, and excluding money market funds held by investment managers in the amount of $14,732,873 and $7,488,404 for the years ended December 31, 2025 and 2024, 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.

1. Summary of Significant Accounting Policies (Continued)

Investments (Continued)

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. The Society's policy is to liquidate all gifts of investments as soon as possible after the gift.

Receivables

Accounts receivable primarily consists of amounts due within one year related to 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 accounts 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.

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 totaled $270,112 and $224,691 for the years ended December 31, 2025 and 2024, 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 to its current fair value, and a loss is reported in accompanying Consolidated Statements of Activities and Changes in Net Assets.

Awards Payable

Awards payable are recorded when unconditionally awarded to middle and high school students each year under the Regeneron Science Talent (STS), Thermo Fisher Junior Innovators Challenge (JIC), Regeneron International Science and Engineering Fair (ISEF), and other award programs. Awards are generally paid out in installments over a four-year period.

1. Summary of Significant Accounting Policies (Continued)

Awards Payable (Continued)

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 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, 2025 and 2024.

In addition, the Society may obtain funding source agreements related to conditional contributions, which will be received in future years. There were no unrecognized conditional contributions as of December 31, 2025 and 2024.

Contributed Nonfinancial Assets

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed services and event tickets. Fair value is estimated based on the prevailing rates in the Society's primary market.

1. Summary of Significant Accounting Policies (Continued)

Contributed Nonfinancial Assets (Continued)

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. None of the contributed nonfinancial assets were restricted by donors or monetized through sale.

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 primarily of 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,	
2026	$ 1,587,685
2027	557,408
2028	571,343
2029	206,158
	$ 2,922,594

1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP 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.

Advertising

The Society expenses advertising costs as incurred. Advertising expense was $922,383 and $763,976 for the years ended December 31, 2025 and 2024, respectively.

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, net, the accrued postretirement benefit adjustment, and other significant incidental activities such as gains and losses on disposal of property and equipment, as non-operating activities, which are classified as other items in the accompanying Statements of Activities and Changes in Net Assets. 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.

Investments recorded in the accompanying 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, 2025 and 2024. 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.

2. Investments and Fair Value Measurements (Continued)

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

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 14,732,873	$ -	$ -	$ 14,732,873
Equities	4,161,117	-	-	4,161,117
Mutual funds	20,616,825	-	-	20,616,825
U.S. Government securities	531,988	-	-	531,988
Total Investments	$ 40,042,803	$ -	$ -	$ 40,042,803

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

Net investment return consisted of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Interest and dividends	$ 1,449,938	$ 1,485,776
Unrealized and realized gain	1,943,956	1,377,566
Investment expenses	(95,295)	(103,815)
Net Investment Return	$ 3,298,599	$ 2,759,527

3. Grants and Contributions Receivable

The Society has received written promises to give from various donors totaling $178,198,213 and $190,229,957 as of December 31, 2025 and 2024, respectively. 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 discount rates ranging from 4.36% to 4.80%.

3. Grants and Contributions Receivable (Continued)

Following is a schedule of amounts due, by year, as of December 31, 2025 and 2024:

	2025	2024
Less than one year	$ 23,039,745	$ 22,464,415
One to five years	80,158,468	77,765,542
Beyond five years	75,000,000	90,000,000
Total	178,198,213	190,229,957
Less: Allowance to discount balance to present value	(8,367,440)	(10,068,461)
Less: Valuation allowance for Regeneron STS commitment	(75,000,000)	(75,000,000)
Grants and Contributions Receivable, Net	$ 94,830,773	$ 105,161,496

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, as of December 31, 2025 and 2024, the Society has recorded a provision of $75,000,000 against the balance due from Regeneron over the course of the grant term. 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 Liabilities

Accounts receivable consisted of the following revenue streams as of:

	December 31, 2025	December 31, 2024	January 1, 2024
Magazine subscriptions	$ 210,164	$ 155,045	$ 523,972
Conference and other	95,724	17,307	95,898
Rental income	-	29,454	-
Advertising and other	77,895	143,542	179,207
Less: Allowance for credit losses	(27,050)	(25,114)	(102,801)
Total Accounts Receivable, Net	$ 356,733	$ 320,234	$ 696,276

4. Contract Assets and Liabilities (Continued)

The allowance for credit losses consisted of the following as of and for the years ended December 31, 2025 and 2024:

	2025	2024
Allowance for credit losses, beginning of year	$ 25,114	$ 102,801
Additions (charges to expenses)	1,936	-
Deductions (write-offs, net of recoveries)	-	(77,687)
Allowance for Credit Losses, End of Year	$ 27,050	$ 25,114

Deferred revenue consisted of the following revenue streams as of:

	December 31, 2025	December 31, 2024	January 1, 2024
Magazine subscriptions	$ 3,552,772	$ 3,452,708	$3,912,102
Conference and other	1,189,775	455,775	355,891
Rental income	-	187,926	-
Advertising and other	299,045	69,174	47,943
Total Deferred Revenue	$ 5,041,592	$ 4,165,583	$4,315,936

5. Property and Equipment

Property and equipment consisted of the following as of December 31, 2025 and 2024:

	2025	2024
Land	$ 8,392,506	$ 8,419,452
Buildings	5,983,796	5,906,256
Furniture	688,081	681,145
Computer equipment	725,666	725,666
Vehicles	72,879	24,945
Capitalized software	3,175,610	2,617,465
Total Property and equipment	19,038,538	18,374,929
Less: Accumulated depreciation and amortization	(2,626,006)	(3,877,075)
Property and Equipment, Net	$ 16,412,532	$ 14,497,854

5. Property and Equipment (Continued)

During 2025, the Society sold commercial property and land located at 1719 and 1723 N Street, Washington, D.C. with a historical cost value of $1,548,128 and accumulated depreciation of $1,521,182 for total proceeds of $4,323,312, and recorded a gain on disposal of property and equipment of $4,296,366.

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.

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. Line of Credit

The Society has a $5,000,000 line of credit through a loan management account offered by its investment broker. Outstanding balances are secured by the Society's investments held at the financial institution and accrue interest at a variable rate determined monthly by the broker. There were no draws on the line of credit during the years ended December 31, 2025 and 2024, and there were no outstanding balances on the line as of December 31, 2025 and 2024.

7. Net Assets with Donor Restrictions

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

	January 1, 2025	Additions and Reclassifications	Releases from Restrictions	December 31, 2025
ISEF sponsorships and awards	$ 20,974,401	$ 7,365,289	$ (6,506,855)	$ 21,832,835
STS sponsorships and awards, including Outreach and Membership	84,239,295	3,033,405	(11,477,010)	75,795,690
JIC sponsorships and awards	236,575	235,630	(66,299)	405,906
Capital Campaign	488,000	5,000	-	493,000
Other	5,559,642	2,963,839	(4,323,522)	4,199,959
Endowment	4,495,088	227,316	-	4,722,404
Accumulated endowment earnings	40,814	161,302	-	202,116
Total	$ 116,033,815	$ 13,991,781	$ (22,373,686)	$ 107,651,910

Net assets with donor restrictions consist of the following as of 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

8. 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 as of December 31, 2025 and 2024:

	2025	2024
Cash and cash equivalents	$ 13,525,767	$ 13,187,590
Investments	40,042,803	31,256,306
Grants and contributions receivable, net	94,830,773	105,161,496
Accounts receivable, net	356,733	320,234
Subtotal financial assets available within one year	148,756,076	149,925,626
Less: Donor-restricted funds	(107,651,910)	(116,033,815)
Financial Assets Available for Use Within One Year	$ 41,104,166	$ 33,891,811

8. Liquidity and Availability (Continued)

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.

9. Contributed Nonfinancial Assets

During the years ended December 31, 2025 and 2024, the Society was the beneficiary of donated services and event tickets which allowed the Society to provide greater resources toward various programs. Donated services and event tickets have been recorded based on their fair value which has been estimated based on the cost of such items in the Society's principal market.

No donor-imposed restrictions were associated with the contributed nonfinancial assets and there were no donated goods monetized through sale.

To properly reflect total program expenses, the following donations have been included in revenue and in professional services and technology expenses for the years ended December 31, 2025 and 2024:

	2025	2024
Donated IT services	$ 720,000	$ 720,000
Donated translation services	50,000	50,000
Donated event tickets	38,400	-
Total Contributed Nonfinancial Assets	$ 808,400	$ 770,000

9. Contributed Nonfinancial Assets (Continued)

The following programs have benefited from these donated services:

	2025	2024
Science Education Programs	$ 461,965	$ 444,781
Science News	232,241	218,415
Alumni	6,936	13,855
General and Administrative	44,195	38,914
Development	63,063	54,035
Total Programs Benefited	$ 808,400	$ 770,000

10. 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.

There was no lease cost or cash paid for operating leases for the year ended December 31, 2025. For the year ended December 31, 2024, total lease cost was $660,000 and total cash paid for operating leases was $660,000. 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.

11. 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, 2025 and 2024 totaled $1,125,192 and $1,081,860, respectively.

12. 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, 2025 and 2024, as the Society does not maintain Plan assets.

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, 2025 and 2024, 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, 2025 and 2024.

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, 2025 and 2024:

	2025	2024
Accumulated benefit obligation, beginning	$ 1,649,000	$ 1,943,000
Benefits paid	(30,000)	(24,000)
Service cost-benefits earned during the period	25,000	30,000
Interest cost on projected benefit obligation	90,000	91,000
Unrecognized loss amortization	(174,000)	(104,000)
Net gain (loss) during the year	264,000	(287,000)
Accumulated Benefit Obligation, Ending	$ 1,824,000	$ 1,649,000

The net periodic benefit cost included in operations consists of the following components for the years ended December 31, 2025 and 2024:

	2025	2024
Service costs	$ 25,000	$ 30,000
Interest cost on projected benefit obligations	90,000	91,000
Amortization of net loss	(174,000)	(104,000)
Net Periodic Benefit Cost	$ (59,000)	$ 17,000

12. Postretirement Benefits (Continued)

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, 2025 and 2024:

	2025	2024
Unrecognized gain, beginning of year	$ 1,207,000	$ 920,000
Net (loss) gain during the year	(264,000)	287,000
Unrecognized Gain, End of Year	$ 943,000	$ 1,207,000

The amount of the unrecognized gain expected to be recognized in net periodic benefit cost during the fiscal year ending December 31, 2026 is $109,000.

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, 2025 and 2024:

	2025	2024
Amortization of Net (Loss) Gain	$ (205,000)	$ 270,000

The postretirement benefit obligation was determined using the following rates for the years ended December 31, 2025 and 2024:

	2025	2024
Discount Rate for net periodic benefit cost	5.50	4.75
Discount rate for obligations at year-end	5.50	5.50
Healthcare cost trend rate assumed for next year	5.60	5.60
Ultimate rate	4.80	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, 2025 and 2024.

12. Postretirement Benefits (Continued)

Based on current data and assumptions, estimated future benefits expected to be paid from the postretirement plan are as follows:

Year Ending December 31,	
2026	$ 56,000
2027	67,000
2028	71,000
2029	74,000
2030	76,000
2031-2035	481,000
Total	$ 825,000

13. Concentration of Revenue

The Society is the recipient of several significant grants from Regeneron Pharmaceuticals, Inc. (Regeneron). At December 31, 2025 and 2024, approximately 89%, and 93%, respectively, of the Society's unconditional grants receivable were comprised of amounts due from Regeneron.

During the years ended December 31, 2025 and 2024, approximately 2.5% and 71%, respectively, of the Society's total support and revenue was derived from grants awarded by Regeneron.

14. 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 $107,597 and $90,627 at December 31, 2025 and 2024, respectively. No interest expense related to the line of credit was incurred during either of the years ended December 31, 2025 and 2024.

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.

15. Endowment Funds

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.

15. Endowment Funds (Continued)

Interpretation of Relevant Law -

In accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the District of Columbia, the Society considers the preservation of the long-term purchasing power of the original gift amount contributed to an endowment fund as one factor in its investment and spending decisions, 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 organization 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 organization.

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.

15. Endowment Funds (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy (continued) -

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.

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, 2025 and 2024.

Endowment funds consisted of the following as of December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total with Donor Restrictions
Donor-Restricted Funds	$ -	$ 202,116	$ 4,722,404	$ 4,924,520

Changes in endowment funds consisted of the following as of and for the year ended December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total with Donor Restrictions
Endowment funds, beginning of year	$ -	$ 40,814	$ 4,495,088	$ 4,535,902
Contributions	-	-	227,316	227,316
Net investment return	-	161,302	-	161,302
Endowment Funds, End of Year	$ -	$ 202,116	$ 4,722,404	$ 4,924,520

Endowment funds consisted of the following as of December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total with Donor Restrictions
Donor-Restricted Funds	$ -	$ 40,814	$ 4,495,088	$ 4,535,902

15. Endowment Funds (Continued)

Changes in endowment funds consisted of the following as of and for the year ended December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total with Donor Restrictions
Endowment funds, beginning of year	$ -	$ 5,068	$ 4,468,543	$ 4,473,611
Contributions	-	-	26,545	26,545
Net investment return	-	35,746	-	35,746
Endowment Funds, End of Year	$ -	$ 40,814	$ 4,495,088	$ 4,535,902

16. Subsequent Events

In preparing these consolidated financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through August 6, 2026, the date the consolidated financial statements were issued.