

CODE FOR SCIENCE AND SOCIETY, INC.

Audited Financial Statements

For the Years Ended June 30, 2024 and 2023



McDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Code for Science and Society, Inc.

Opinion

We have audited the accompanying financial statements of Code for Science and Society, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Code for Science and Society, Inc. as of June 30, 2024 and 2023, and the changes in 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 Financial Statements* section of our report. We are required to be independent of Code for Science and Society, Inc. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Code for Science and Society, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Code for Science and Society, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

McDonald Jacobson, P.C.

Portland, Oregon
March 4, 2024

CODE FOR SCIENCE AND SOCIETY, INC.
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 3,313,792	\$ 2,898,017
Investments	12,357,060	9,523,738
Grants and accounts receivable	6,250,532	2,620,803
Prepaid expenses	78,806	18,853
 TOTAL ASSETS	 \$ 22,000,190	 \$ 15,061,411
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,240,130	\$ 375,102
Grants payable	50,000	7,000
Deferred revenue	65,360	26,753
Total liabilities	1,355,490	408,855
Net assets:		
Without donor restrictions	1,710,352	1,288,067
With donor restrictions	18,934,348	13,364,489
Total net assets	20,644,700	14,652,556
 TOTAL LIABILITIES AND NET ASSETS	 \$ 22,000,190	 \$ 15,061,411

See notes to financial statements.

CODE FOR SCIENCE AND SOCIETY, INC.
STATEMENTS OF ACTIVITIES
For the years ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Grants and contributions revenue	\$ 310,433	\$ 17,813,648	\$ 18,124,081	\$ 17,413	\$ 15,340,253	\$ 15,357,666
Earned income	11,585	2,215,310	2,226,895	-	1,400,268	1,400,268
Investment income	493,482	-	493,482	285,473	-	285,473
Net realized/unrealized gains	228,654	-	228,654	31,959	-	31,959
Net assets released from restrictions:						
Satisfaction of program restrictions	14,459,099	(14,459,099)	-	10,185,293	(10,185,293)	-
Total support and revenue	<u>15,503,253</u>	<u>5,569,859</u>	<u>21,073,112</u>	<u>10,520,138</u>	<u>6,555,228</u>	<u>17,075,366</u>
Expenses:						
Program	12,224,440	-	12,224,440	8,139,916	-	8,139,916
Management and general	1,815,089	-	1,815,089	646,298	-	646,298
Fundraising	1,041,439	-	1,041,439	939,176	-	939,176
Total expenses	<u>15,080,968</u>	<u>-</u>	<u>15,080,968</u>	<u>9,725,390</u>	<u>-</u>	<u>9,725,390</u>
Change in net assets	422,285	5,569,859	5,992,144	794,748	6,555,228	7,349,976
Net assets:						
Beginning of year	<u>1,288,067</u>	<u>13,364,489</u>	<u>14,652,556</u>	<u>493,319</u>	<u>6,809,261</u>	<u>7,302,580</u>
End of year	<u>\$ 1,710,352</u>	<u>\$ 18,934,348</u>	<u>\$ 20,644,700</u>	<u>\$ 1,288,067</u>	<u>\$ 13,364,489</u>	<u>\$ 14,652,556</u>

See notes to financial statements.

CODE FOR SCIENCE AND SOCIETY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended June 30, 2024 and 2023

	2024				2023			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and related expenses	\$ 5,710,064	\$ 1,175,864	\$ 532,368	\$ 7,418,296	\$ 3,949,993	\$ 328,704	\$ 654,102	\$ 4,932,799
Professional services	4,855,139	476,676	439,592	5,771,407	3,047,346	290,168	198,446	3,535,960
Web services	222,709	40,897	18,566	282,172	221,028	8,874	20,197	250,099
Office expenses	87,559	23,195	6,905	117,659	37,415	3,102	12,919	53,436
Travel	552,089	57,565	43,223	652,877	203,460	14,441	34,096	251,997
Program events and marketing	334,249	11,768	-	346,017	73,935	-	7,192	81,127
Grants	434,750	-	-	434,750	591,802	-	-	591,802
Insurance	-	28,964	-	28,964	11,003	1,009	10,519	22,531
Other expenses	27,881	160	785	28,826	3,934	-	1,705	5,639
Total expenses	<u>\$ 12,224,440</u>	<u>\$ 1,815,089</u>	<u>\$ 1,041,439</u>	<u>\$ 15,080,968</u>	<u>\$ 8,139,916</u>	<u>\$ 646,298</u>	<u>\$ 939,176</u>	<u>\$ 9,725,390</u>

See notes to financial statements.

CODE FOR SCIENCE AND SOCIETY, INC.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 5,992,144	\$ 7,349,976
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net realized/unrealized gain on investments	(228,654)	(31,959)
(Increase) decrease in:		
Grants and accounts receivable	(3,629,729)	(1,125,180)
Prepaid expenses	(59,953)	(18,853)
Other assets	-	24,531
Increase (decrease) in:		
Accounts payable and accrued expenses	865,028	206,191
Grants payable	43,000	(77,101)
Deferred revenue	38,607	26,753
Net cash flows from operating activities	3,020,443	6,354,358
Cash flows from investing activities:		
Proceeds from the sale of investments	73,789,747	49,673,040
Purchase of investments	(76,394,415)	(59,164,819)
Net cash flows from investing activities	(2,604,668)	(9,491,779)
Net change in cash and cash equivalents	415,775	(3,137,421)
Cash and cash equivalents - beginning of year	2,898,017	6,035,438
Cash and cash equivalents - end of year	\$ 3,313,792	\$ 2,898,017

See notes to financial statements.

CODE FOR SCIENCE AND SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

1. DESCRIPTION OF ORGANIZATION

Code for Science and Society, Inc. (CSS or the Organization) is a nonprofit 501(c)(3) organization supporting open collaboration in public interest technology through fiscal sponsorship and other programs supporting sustainable open source. CSS fiscal sponsorship activities enable mission-aligned charitable groups to focus on their missions while CSS provides 501(c)(3) status and attends to their administrative matters. CSS offers an array of back-office services including benefits, payroll, and human resource administration; financial management; tax preparation and compliance; grant support; risk management and insurance; legal counsel; donation management; and coaching on various other common nonprofit issues.

CSS is primarily funded through grants, contributions, and fees generated from its fiscal sponsorship contracts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a 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.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents, except those that are held for short-term investment purposes.

CODE FOR SCIENCE AND SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Investments

CSS investments consist of short-term investments in U.S. treasury bills are reported at fair value. Changes in fair values as well as realized gains and losses are reflected in the statements of activities. Interest income is accrued when earned. Fair values are provided by using quoted market prices.

Fair Value Measurements

Assets and liabilities, including investments, are recorded at fair value in the statements of financial position and are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

Grants and Accounts Receivable

Grants and accounts receivable consist primarily of commitments made by foundations and corporations. Long-term receivables are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the market rate applicable in the year in which those promises were made. Amortization of the discount is included in contribution revenue. The discount was deemed immaterial for the years ended June 30, 2024 and 2023.

CSS uses the allowance method to account for uncollectible grants and accounts receivables is based on historical experience and an evaluation of the outstanding receivables at year-end. Management has determined grants and accounts receivable are fully collectible and therefore, an allowance for uncollectible accounts or credit losses is deemed unnecessary as of June 30, 2024 and 2023.

CODE FOR SCIENCE AND SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Revenue Recognition

Revenues from various sources are recognized as follows:

Grants and Contributions: Grants and contributions are recognized when the donor or grantor makes an unconditional promise to give to CSS. CSS reports grants and contributions, investments, and other income with donor restrictions if they are received with donor stipulations that limit the use to a fiscally sponsored project. All funds for a newly sponsored project transferred into CSS are with donor restrictions for the sponsored project.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Government grants are conditioned upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

Three fiscally sponsored projects were awarded federal cost-reimbursable grants totaling approximately \$2,180,000 for the period through December 2026 which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenues have not been recognized on these grants during the year ended June 30, 2024 because qualifying expenditures have not yet been incurred.

Earned Income: Revenue recognition for earned income is evaluated under Accounting Standards Codification (“ASC”) 606 through the following five steps: (i) identification of the contract or contracts with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied. Revenue is based on the consideration specified in the contract for the exchange of services.

The performance obligation related to fee for service contracts is to provide technology development, program services, training, or other performance-based services to other organizations. CSS recognizes fee for service income over time in the period that services are rendered. CSS bills for services as services are provided or based on contract terms. Payment terms are specified in the contract and are generally due within 30 days.

CODE FOR SCIENCE AND SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Revenue Recognition, Continued

Earned Income, Continued: Payments collected in advance or in excess of the related program service income recognized as of year-end are recorded as deferred revenue.

Membership Dues: Membership dues are recognized as revenue in the applicable membership period.

Grants and Grants Payable

Grants are made to organizations with objectives consistent with the mission of CSS and the fiscal sponsor projects and are reviewed and approved by management. Grant expenses are recorded when CSS makes an unconditional promise to give and a signed agreement is received. Conditional promises to give are recognized as grant expense in the period in which the recipient meets the terms of the condition. Grant cancellations or unspent funds are recorded in the year cancelled or the funds returned. Grants payable at year end are payable within twelve months.

Fiscal Sponsorship Projects

All the financial activity of CSS's fiscally sponsored projects ("FSPs") is aggregated for financial statement purposes. Their funds, however, are kept strictly segregated in individual fund accounts. The majority of its FSPs (those in a comprehensive fiscal sponsorship relationship) are legally a part of CSS and all their employees are employees of CSS. CSS may also sponsor projects in a "pre-approved grant" fiscal sponsorship relationship and those projects are separate legal entities.

It is the nature of the business of fiscal sponsorship business to have a variable portfolio. CSS's project roster can fluctuate regularly with time-limited projects completing, maturing nonprofits spinning off into their own 501(c)(3) organizations, and new start-ups signing up throughout each year.

In the event that an existing FSP is incorporated into CSS's portfolio, any assets transferred in are recorded on the statements of activities. In situations where a sponsored project attains status as an independent entity or otherwise ends the fiscal sponsorship relationship with CSS, the respective project's funds are granted out to a newly created entity, new fiscal sponsor, or as required by arrangements with donors.

CODE FOR SCIENCE AND SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Functional Expenses

The costs of providing fiscal sponsorship by CSS have been presented in the statements of activities and functional expenses. All expenses paid on behalf of CSS's fiscally sponsored projects are recorded as program services or supporting services. Program related activities that are conducted by CSS on its own accord are recorded as program services. Expenses that are undertaken by CSS's administrative group are recorded as management and general or fundraising expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related expenses, professional services, office expenses, web services, insurance, and other expenses, which are allocated on the basis of estimates of time and effort.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

Code for Science and Society, Inc. is a nonprofit corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying financial statements, as CSS has no activities subject to unrelated business income tax. CSS is not a private foundation.

CSS follows the provisions of FASB ASC Topic 740 *Accounting for Uncertainty in Income Taxes*. Management has CSS's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Organization has evaluated all subsequent events through March 4, 2024, the date the financial statements were available to be issued.

CODE FOR SCIENCE AND SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

New Accounting Standard

Effective for financial statements for the year ended June 30, 2024, CSS has adopted a new accounting standard issued by the Financial Accounting Standards Board (FASB) that requires changes in accounting for expected credit losses on certain types of financial assets (accounts receivable). The change shifts from recognizing probable credit losses based on historical incurred losses to recognizing expected losses that are expected to occur over the life of the asset. The adoption did not result in a significant effect on amounts reported in the statements of financial position and statements of activities for 2024.

3. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets available for general expenditure consist of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,313,792	\$ 2,898,017
Investments	12,357,060	9,523,738
Grants and accounts receivable	<u>3,965,252</u>	<u>1,906,980</u>
Total financial assets	19,636,104	14,328,735
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	<u>16,649,068</u>	<u>12,650,666</u>
Financial assets available for general expenditure	<u>\$ 2,987,036</u>	<u>\$ 1,678,069</u>

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments totaling \$12,357,060 and \$9,523,738 at June 30, 2024 and 2023, respectively consist of U.S. treasury bills maturing in under 60 days and are valued under fair value measurements using Level 1 inputs. The fair values of the U.S. treasury bills are determined by reference to quoted market prices or other relevant market data as provide by the bank or broker.

CODE FOR SCIENCE AND SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2024 and 2023

5. GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable are unsecured and consist of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Grants receivable	\$ 5,986,346	\$ 2,174,978
Accounts receivable	<u>264,186</u>	<u>445,825</u>
Total grants and accounts receivable	<u>\$ 6,250,532</u>	<u>\$ 2,620,803</u>

Grants receivable at June 30, 2024 and 2023 are anticipated to be collected as follows:

	<u>2024</u>	<u>2023</u>
Within one year	\$ 3,701,066	\$ 1,461,155
Within two to five years	<u>2,285,280</u>	<u>713,823</u>
Total grants receivable	<u>\$ 5,986,346</u>	<u>\$ 2,174,978</u>

CSS recognizes conditional promises to give, that is, those with a measurable performance or other barrier and a right of return when the conditions on which they depend have been met. The following is a roll-forward of thirteen conditional grants, which future payments are contingent upon meeting specific milestones and incurring expenses related to the projects:

Balance as of June 30, 2023	\$ 2,693,631
Conditional grants awarded	4,823,043
Revenue recognized for conditions met	<u>5,188,530</u>
Balance as of June 30, 2024	<u>\$ 2,328,144</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Fiscally sponsored projects	\$ 18,729,462	\$ 12,909,483
Other purpose restricted	<u>204,886</u>	<u>455,006</u>
Total net assets with donor restrictions	<u>\$ 18,934,348</u>	<u>\$ 13,364,489</u>

CODE FOR SCIENCE AND SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2024 and 2023

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

Earned income consists primarily of revenue from contracts with customers. The timing of revenue recognition, billings, and cash collections may result in billed accounts receivable (contract asset) and customer advances and deposits and deferred revenue (contract liabilities) on the statements of financial position.

- Revenue from technology development contracts is recognized at a point in time as services are provided or products and deliverables are met.
- Revenue from program services is recognized at a point in time as services are provided or costs are incurred.
- Revenue from training is recognized at a point in time as training is provided.
- Revenue from membership is recognized over the term of the arrangement.

There are no significant judgments affecting the determination of amount and timing of earned income. Total revenue by contract type is as follows:

	<u>2024</u>	<u>2023</u>
Revenue recognized at a point in time:		
Technology development	\$ 1,500,319	\$ 867,943
Program services	535,371	448,612
Training	72,595	79,287
Total revenue recognized at a point in time	<u>\$ 2,108,285</u>	<u>\$ 1,395,842</u>
Revenue recognized over time:		
Membership	\$ 105,716	\$ 4,426
Consulting	1,309	-
Events	11,585	-
Total revenue recognized over time	<u>\$ 118,610</u>	<u>\$ 4,426</u>

CODE FOR SCIENCE AND SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2024 and 2023

7. REVENUE FROM CONTRACTS WITH CUSTOMERS, Continued

The beginning and ending contract balances are as follows:

	2024	2023	2022
Total contract assets	\$ 264,186	\$ 445,825	\$ 229,267
Total contract liabilities	\$ 65,360	\$ 26,753	\$ -

Revenue recognized for the year ended June 30, 2024 that was included in the contract liability balance at the beginning of the year was \$26,753. Revenue recognized for the year ended June 30, 2023 did not include a contract liability balance at the beginning of the year.

8. RETIREMENT PLAN

The Organization has a 401(k) plan available to all employees aged 21 and older as defined under the plan. Employees may contribute any whole percentage of annual compensation provided that it does not exceed maximum amounts as permitted by law. The plan was amended effective January 1, 2022 to incorporate a Safe Harbor employer matching contribution that provides a 100% match of employee contributions up to 4% of salary with immediate vesting for all plan participants. Total expense related to the matching contributions approximated \$176,800 and \$101,300 for the years ended June 30, 2024 and 2023, respectively.

9. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in several financial institutions. Balances in each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Additionally, balances in a certain institution are insured up to \$5 million through FDIC sweep accounts. The balances, at times, may exceed the federally insured limit. Balances in excess of insured limits was approximately \$205,000 and \$470,900 as of June 30, 2024 and 2023, respectively.

The Organization's revenues are concentrated with 33% and 30% of total revenues coming from two sources and three sources for the years ended June 30, 2024 and 2023, respectively. The Organization's credit risk for accounts receivable is concentrated with 67% and 50% of the balances coming from three agencies as of June 30, 2024 and 2023, respectively.

CODE FOR SCIENCE AND SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
June 30, 2024 and 2023

10. CONTINGENCIES

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that no significant amounts received or receivable will be required to be returned in the future.

II. RELATED PARTY DISCLOSURE

The Board of Directors of the Organization has established a board seat for individuals affiliated with fiscally sponsored projects (FSP), and this seat effective January 2024. Compensation was set on terms equivalent to prevailing market rates for this position (included in salaries and related expenses) and approximated \$195,000 and \$182,000 for the years ended June 30, 2024 and 2023, respectively.