

CODE FOR SCIENCE AND SOCIETY, INC.

Audited Financial Statements

For the Year Ended June 30, 2025



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 statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### 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 and *Government 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 and *Government 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025 on our consideration of the Code for Science and Society, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Code for Science and Society, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Code for Science and Society, Inc.'s internal control over financial reporting and compliance.

*McDonald Jacobson, P.C.*

Portland, Oregon  
December 19, 2025

CODE FOR SCIENCE AND SOCIETY, INC.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2025

ASSETS

Cash and cash equivalents	\$ 2,721,917
Investments	6,015,751
Grants and accounts receivable	2,535,759
Prepaid expenses	<u>112,455</u>
 TOTAL ASSETS	 <u><u>\$ 11,385,882</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 395,838
Funds held for others	252,864
Deferred revenue	<u>318,780</u>
Total liabilities	<u>967,482</u>
 Net assets:	
Without donor restrictions	1,678,062
With donor restrictions	<u>8,740,338</u>
Total net assets	<u>10,418,400</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 11,385,882</u></u>

See notes to financial statements.

CODE FOR SCIENCE AND SOCIETY, INC.  
STATEMENT OF ACTIVITIES  
For the year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Grants and contributions revenue	\$ 32,319	\$ 6,138,837	\$ 6,171,156
Earned income	-	3,210,377	3,210,377
Donated software	6,884,783	-	6,884,783
Investment income	531,049	-	531,049
Net realized/unrealized losses	(49,366)	-	(49,366)
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>10,398,531</u>	<u>(10,398,531)</u>	<u>-</u>
Total support and revenue	<u>17,797,316</u>	<u>(1,049,317)</u>	<u>16,747,999</u>
<b>Expenses:</b>			
Program expenses	15,870,151	-	15,870,151
Management and general	1,984,599	-	1,984,599
Fundraising	<u>93,543</u>	<u>-</u>	<u>93,543</u>
Total expenses	<u>17,948,293</u>	<u>-</u>	<u>17,948,293</u>
Change in net assets from continuing operations	<u>(150,977)</u>	<u>(1,049,317)</u>	<u>(1,200,294)</u>
<b>Discontinued operations:</b>			
Grants and contributions revenue	-	443,062	443,062
Cancellation of pledges receivable	(2,515,000)	-	(2,515,000)
Discontinued fiscally sponsored projects expenses and grants to others	(6,954,068)	-	(6,954,068)
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>9,587,755</u>	<u>(9,587,755)</u>	<u>-</u>
Change in net assets from discontinued operations	<u>118,687</u>	<u>(9,144,693)</u>	<u>(9,026,006)</u>
Change in net assets	(32,290)	(10,194,010)	(10,226,300)
<b>Net assets:</b>			
Beginning of year	<u>1,710,352</u>	<u>18,934,348</u>	<u>20,644,700</u>
End of year	<u>\$ 1,678,062</u>	<u>\$ 8,740,338</u>	<u>\$ 10,418,400</u>

See notes to financial statements.

CODE FOR SCIENCE AND SOCIETY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended June 30, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 5,468,242	\$ 872,382	\$ 89,160	\$ 6,429,784
Donated software	6,884,783	-	-	6,884,783
Professional services	4,845,490	954,102	-	5,799,592
Web services	314,135	46,462	3,642	364,239
Office expenses	58,840	14,535	741	74,116
Cancellation of pledges receivable	2,515,000	-	-	2,515,000
Grants to others	3,391,332	19,506	-	3,410,838
Travel	426,693	4,017	-	430,710
Program events and marketing	359,093	2,010	-	361,103
Grants	1,054,928	-	-	1,054,928
Insurance	-	55,893	-	55,893
Other expenses	20,683	15,692	-	36,375
Total expenses by function	<u>25,339,219</u>	<u>1,984,599</u>	<u>93,543</u>	<u>27,417,361</u>
Discontinued operations:				
Discontinued fiscally sponsored projects expenses and grants to others	<u>(9,469,068)</u>	<u>-</u>	<u>-</u>	<u>(9,469,068)</u>
Total expenses from continuing operations	<u>\$ 15,870,151</u>	<u>\$ 1,984,599</u>	<u>\$ 93,543</u>	<u>\$ 17,948,293</u>

See notes to financial statements.

CODE FOR SCIENCE AND SOCIETY, INC.  
STATEMENT OF CASH FLOWS  
For the year ended June 30, 2025

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ (10,226,300)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Net realized/unrealized loss on investments	49,366
Cancellation of grants receivable	2,515,000
(Increase) decrease in:	
Grants and accounts receivable	1,199,773
Prepaid expenses	(33,649)
Increase (decrease) in:	
Accounts payable and accrued expenses	(844,292)
Funds held for others	252,864
Grants payable	(50,000)
Deferred revenue	253,420
Net cash flows from operating activities	<u>(6,883,818)</u>
 <b>Cash flows from investing activities:</b>	
Proceeds from the sale of investments	(15,519,464)
Purchase of investments	21,811,407
Net cash flows from investing activities	<u>6,291,943</u>
 Net change in cash and cash equivalents	 (591,875)
 Cash and cash equivalents - beginning of year	 <u>3,313,792</u>
 Cash and cash equivalents - end of year	 <u>\$ 2,721,917</u>

See notes to financial statements.

CODE FOR SCIENCE AND SOCIETY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025

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. 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.

During the year, several fiscally sponsored activities were spun-out into their own established nonprofit organizations. See Note 12.

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 statement 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, 2025

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 statement 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 statement 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 grants receivable 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 year ended June 30, 2025.

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, 2025.

CODE FOR SCIENCE AND SOCIETY, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
June 30, 2025

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 \$3,201,000 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, 2025 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, 2025

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.

**Donated Software (In-Kind Contributions):** Donations of software are recorded at their estimated fair value at the time of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donation to a specific purpose.

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 statement 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, 2025

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.

Subsequent Events

The Organization has evaluated all subsequent events through December 19, 2025, the date the financial statements were available to be issued.

CODE FOR SCIENCE AND SOCIETY, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
June 30, 2025

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, 2025:

Cash and cash equivalents	\$ 2,721,917
Investments	6,015,751
Grants and accounts receivable, current	<u>1,754,304</u>
Total financial assets	10,491,972
Less amounts unavailable for general expenditure:	
Net assets with donor restrictions	<u>(7,958,883)</u>
Financial assets available for general expenditure	<u><u>\$ 2,533,089</u></u>

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments at June 30, 2025 consist of the following:

Cash equivalents	\$ 128,352
U.S. Treasury bills	<u>5,887,399</u>
Total investments	<u><u>\$ 6,015,751</u></u>

U.S. Treasury bills mature 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, 2025

5. GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable are unsecured and consist of the following at June 30, 2025:

Grants receivable	\$ 2,154,955
Accounts receivable	<u>380,804</u>
Total grants and accounts receivable	<u>\$ 2,535,759</u>

Grants receivable at June 30, 2025 are anticipated to be collected as follows:

Within one year	\$ 1,373,500
Within two to five years	<u>781,455</u>
Total grants receivable	<u>\$ 2,154,955</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 eleven conditional grants, which future payments are contingent upon meeting specific milestones and incurring expenses related to the projects:

Balance as of June 30, 2024	\$ 2,693,631
Conditional grants awarded	4,746,649
Revenue recognized for conditions met	<u>(2,168,804)</u>
Balance as of June 30, 2025	<u>\$ 5,271,476</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2025:

Fiscally sponsored projects	\$ 8,588,762
Other purpose restricted	<u>151,576</u>
Total net assets with donor restrictions	<u>\$ 8,740,338</u>

CODE FOR SCIENCE AND SOCIETY, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
June 30, 2025

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 statement of financial position.

Revenue from contracts with customer is recognized as follows:

- 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:

Revenue recognized at a point in time:

Technology development	\$ 1,294,354
Program services	1,773,563
Training	<u>6,693</u>
Total revenue recognized at a point in time	3,074,610

Revenue recognized over time:

Membership	<u>135,767</u>
Total revenue from contracts with customers	<u>\$ 3,210,377</u>

The beginning and ending contract balances are as follows:

	2025	2024
Total contract asset - accounts receivable	<u>\$ 380,804</u>	<u>\$ 264,186</u>
Total contract liability - deferred revenue	<u>\$ 318,780</u>	<u>\$ 65,360</u>

Revenue recognized for the year ended June 30, 2025 that was included in the contract liability balance at the beginning of the year was \$65,360.

CODE FOR SCIENCE AND SOCIETY, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
June 30, 2025

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 \$139,500 for the year ended June 30, 2025.

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 total approximately \$229,000 as of June 30, 2025.

The Organization's revenues are concentrated with 30% of total revenues coming from two sources for the year ended June 30, 2025. The Organization's credit risk for accounts receivable is concentrated with 72% of the balances coming from two agencies as of June 30, 2025.

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.

11. **CONTRIBUTED NONFINANCIAL ASSETS (IN-KIND CONTRIBUTIONS)**

The Organization received approximately \$6,884,000 in donated software credits during the year ended June 30, 2025. These donated credits were used for programs and are valued at fair market value and are for use in various online software tools, applications, and cloud storage. The Organization's credit balance is available through April of 2026 with a remaining amount available of \$3,710,000 as of year-end.

CODE FOR SCIENCE AND SOCIETY, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
June 30, 2025

12. DISCONTINUED OPERATIONS - FISCALLY SPONSORED PROJECTS

During the year ended June 30, 2025, three fiscally sponsored projects were discontinued by the Organization and were established as stand alone organizations. Balances and transactions related to the discontinued sponsored projects during the fiscal year are as follows:

Net assets with donor restriction - beginning of year	\$ 9,144,693
Contributions and grants	443,062
Cancellation of pledges receivable	(2,515,000)
Salaries and benefits	(1,547,655)
Professional services	(753,374)
Web services	(174,490)
Grants	(4,397,898)
Other expenses	(80,651)
Release from purpose restrictions	<u>(118,687)</u>
Net assets with donor restriction - end of year	<u>\$ -</u>

Funds held for others included on the statement of financial position relate to liabilities anticipated to be incurred by discontinued fiscally sponsored projects. Remaining funds are anticipated to be paid out in 2026.

Cash flows on the statement of cash flows related to discontinued operations include:

Net cash flows from operating activities	<u>\$ (2,794,608)</u>
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