BerryDunn

FIRST®

FINANCIAL STATEMENTS

June 30, 2026 and 2025

With Independent Auditor's Report

FOR INSPIRATION AND RECOGNITION OF SCIENCE AND TECHNOLOGY (*FIRST*®)

June 30, 2026 and 2025

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BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
For Inspiration and Recognition
of Science and Technology (*FIRST®*)

Opinion

We have audited the accompanying financial statements of For Inspiration and Recognition of Science and Technology (the Organization), which comprise the statements of financial position as of June 30, 2026 and 2025, 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 the Organization as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (U.S. GAAS). 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 the Organization 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 U.S. GAAP, 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 the Organization 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 these 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 U.S. 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 financial statements.

In performing an audit in accordance with U.S. GAAS 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 the Organization'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 the Organization'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.

BDMP Assurance, LLP

Portland, Maine
October 9, 2026

FOR INSPIRATION AND RECOGNITION OF SCIENCE AND TECHNOLOGY (*FIRST*®)

Statements of Financial Position

June 30, 2026 and 2025

	2026	2025
ASSETS		
Current assets		
Cash and cash equivalents	**$ 10,171,159**	$ 12,599,365
Restricted cash – scholarship funds	**1,006,105**	1,363,930
Accounts receivable, net of allowance for credit losses of $55,580 in 2026 and $108,121 in 2025	**3,054,360**	3,331,593
Short-term investments	**5,992,492**	9,955,220
Current portion of pledges and nonfederal grants receivable	**2,573,865**	2,808,702
Federal grants receivable	**188,811**	136,139
Program supply inventory	**2,521,443**	1,548,839
Prepaid expenses and other assets	**2,480,913**	1,989,063
Total current assets	**27,989,148**	33,732,851
Pledges and nonfederal grants receivable, net of current portion and present value discount	**3,797,800**	-
Right-of-use (ROU) operating lease asset	**636,248**	182,219
Long-term investments	**34,423,326**	33,310,118
Property and equipment		
Land, building and improvements	**10,571,536**	10,541,891
Equipment	**5,899,837**	5,423,795
Furniture and fixtures	**941,266**	941,266
Software	**6,095,610**	4,020,566
Website and portal	**-**	492,090
	23,508,249	21,419,608
Less accumulated depreciation and amortization	**16,403,591**	15,622,815
Net property and equipment	**7,104,658**	5,796,793
Total assets	**$ 73,951,180**	$ 73,021,981
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of operating lease liability	**$ 188,450**	$ 182,219
Accounts payable and accrued expenses	**5,089,757**	6,417,948
Deferred revenue	**180,976**	1,012,164
Total current liabilities	**5,459,183**	7,612,331
Operating lease liability, operating lease, net of current portion	**447,798**	-
Total liabilities	**5,906,981**	7,612,331
Net assets		
Without donor restrictions	**40,396,606**	39,451,414
With donor restrictions – temporary in nature	**27,647,593**	25,958,236
Total net assets	**68,044,199**	65,409,650
Total liabilities and net assets	**$ 73,951,180**	$ 73,021,981

The accompanying notes are an integral part of these financial statements.

FOR INSPIRATION AND RECOGNITION OF SCIENCE AND TECHNOLOGY (*FIRST*®)

Statement of Activities

Year Ended June 30, 2026
(With Comparative Totals for the Year Ended June 30, 2025)

	2026			2025
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating revenues and support				
Program revenue	$ 36,635,472	$ -	$ 36,635,472	$ 36,656,430
Contributions and grants	2,073,983	49,689,848	51,763,831	34,777,407
In-kind contributions	7,821,210	504,764	8,325,974	8,428,700
Other income	3,529,106	-	3,529,106	3,340,964
Net assets released from restrictions	48,505,255	(48,505,255)	-	-
Total operating revenues and support	98,565,026	1,689,357	100,254,383	83,203,501
Expenses				
Program	77,754,208	-	77,754,208	74,337,123
Facility support of other organizations	310,116	-	310,116	299,419
Management and general	19,571,719	-	19,571,719	12,493,902
Fundraising and development	1,953,913	-	1,953,913	2,858,176
Total expenses	99,589,956	-	99,589,956	89,988,620
Change in net assets from operations	(1,024,930)	1,689,357	664,427	(6,785,119)
Nonoperating income (losses)				
Realized and unrealized (losses) gains	(420,469)	-	(420,469)	639,910
Interest income	2,390,591	-	2,390,591	2,833,812
Change in net assets from nonoperating activities	1,970,122	-	1,970,122	3,473,722
Total change in net assets	945,192	1,689,357	2,634,549	(3,311,397)
Net assets, beginning of year	39,451,414	25,958,236	65,409,650	68,721,047
Net assets, end of year	$ 40,396,606	$ 27,647,593	$ 68,044,199	$ 65,409,650

The accompanying notes are an integral part of these financial statements.

FOR INSPIRATION AND RECOGNITION OF SCIENCE AND TECHNOLOGY (*FIRST*®)

Statement of Activities

Year Ended June 30, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and support			
Program revenue	$ 36,656,430	$ -	$ 36,656,430
Contributions and grants	4,407,776	30,369,631	34,777,407
In-kind contributions	7,983,065	445,635	8,428,700
Other income	3,340,964	-	3,340,964
Net assets released from restrictions	36,927,824	(36,927,824)	-
Total operating revenues and support	89,316,059	(6,112,558)	83,203,501
Expenses			
Program	74,337,123	-	74,337,123
Facility support of other organizations	299,419	-	299,419
Management and general	12,493,902	-	12,493,902
Fundraising and development	2,858,176	-	2,858,176
Total expenses	89,988,620	-	89,988,620
Change in net assets from operations	(672,561)	(6,112,558)	(6,785,119)
Nonoperating income			
Realized and unrealized gains	639,910	-	639,910
Interest income	2,833,812	-	2,833,812
Change in net assets from nonoperating activities	3,473,722	-	3,473,722
Total change in net assets	2,801,161	(6,112,558)	(3,311,397)
Net assets, beginning of year	36,650,253	32,070,794	68,721,047
Net assets, end of year	$ 39,451,414	$ 25,958,236	$ 65,409,650

The accompanying notes are an integral part of these financial statements.

FOR INSPIRATION AND RECOGNITION OF SCIENCE AND TECHNOLOGY (*FIRST*®)

Statements of Functional Expenses

Years Ended June 30, 2026 and 2025

2026	Programs			Management and General	Fundraising and Development	Total Expenses
	STEM Programs	Facility Support of Other Organizations	Total Programs			
Grants and other assistance/support	$ 37,838,787	$ -	$ 37,838,787	$ -	$ -	$ 37,838,787
Compensation, benefits, and payroll taxes	14,243,161	-	14,243,161	11,189,602	1,646,913	27,079,676
Fees for services	1,001,105	-	1,001,105	2,136,441	42,899	3,180,445
Promotion and advertising	571,497	-	571,497	919,102	75,330	1,565,929
Office, insurances, and information technology	1,166,047	-	1,166,047	1,719,752	31,778	2,917,577
Occupancy	328,722	310,116	638,838	1,075,605	9,062	1,723,505
Travel	1,317,005	-	1,317,005	256,025	67,951	1,640,981
STEM supplies and costs of competitions	19,861,189	-	19,861,189	894,546	16,617	20,772,352
Training and recognition	773,571	-	773,571	1,013,421	11,621	1,798,613
Other	653,124	-	653,124	367,225	51,742	1,072,091
Total expenses	$ 77,754,208	$ 310,116	$ 78,064,324	$ 19,571,719	$ 1,953,913	$ 99,589,956

2025	Programs			Management and General	Fundraising and Development	Total Expenses
	STEM Programs	Facility Support of Other Organizations	Total Programs			
Grants and other assistance/support	$ 30,042,577	$ -	$ 30,042,577	$ -	$ -	$ 30,042,577
Compensation, benefits, and payroll taxes	16,284,710	-	16,284,710	6,794,567	1,957,564	25,036,841
Fees for services	1,886,853	-	1,886,853	1,500,106	57,437	3,444,396
Promotion and advertising	978,096	-	978,096	614,869	51,310	1,644,275
Office, insurances, and information technology	1,406,607	-	1,406,607	944,205	38,185	2,388,997
Occupancy	508,066	299,419	807,485	644,994	114,087	1,566,566
Travel	1,746,873	-	1,746,873	148,807	78,889	1,974,569
STEM supplies and costs of competitions	20,051,223	-	20,051,223	954,865	463,274	21,469,362
Training and recognition	887,619	-	887,619	588,963	24,909	1,501,491
Other	544,499	-	544,499	302,526	72,521	919,546
Total expenses	$ 74,337,123	$ 299,419	$ 74,636,542	$ 12,493,902	$ 2,858,176	$ 89,988,620

The accompanying notes are an integral part of these financial statements.

FOR INSPIRATION AND RECOGNITION OF SCIENCE AND TECHNOLOGY (*FIRST*®)

Statements of Cash Flows

Years Ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities		
Change in net assets	**$ 2,634,549**	$ (3,311,397)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	**1,272,927**	1,145,585
Realized and unrealized losses (gains) on investments	**420,469**	(639,910)
Changes in operating assets and liabilities		
Accounts receivable	**277,233**	164,888
Pledges and nonfederal grants receivable	**(3,562,963)**	4,101,173
Federal grants receivable	**(52,672)**	5,309,140
Program supply inventory	**(972,604)**	(416,784)
Prepaid expenses and other assets	**(491,850)**	(393,926)
Accounts payable and accrued expenses	**(1,328,191)**	622,025
Deferred revenue	**(831,188)**	(1,140,851)
Net cash (used) provided by operating activities	**(2,634,290)**	5,439,943
Cash flows from investing activities		
Purchases of long-term and short-term investments	**(10,255,949)**	(17,491,422)
Proceeds from sales of investments	**12,685,000**	7,160,000
Purchases of property and equipment	**(2,580,792)**	(1,426,153)
Net cash used by investing activities	**(151,741)**	(11,757,575)
Net decrease in cash and cash equivalents	**(2,786,031)**	(6,317,632)
Cash and cash equivalents, beginning of year	**13,963,295**	20,280,927
Cash and cash equivalents, end of year	**$ 11,177,264**	$ 13,963,295
Composition of cash and cash equivalents, end of year:		
Cash and cash equivalents	**$ 10,171,159**	$ 12,599,365
Restricted cash – scholarship funds	**1,006,105**	1,363,930
	$ 11,177,264	$ 13,963,295

The accompanying notes are an integral part of these financial statements.

Nature of Business

Founded in 1989, For Inspiration and Recognition of Science and Technology (the Organization) is a New Hampshire-based, global-reaching nonprofit corporation organized to prepare young people for the future by engaging them in exciting, mentor-guided, project-based programs that build science, engineering, and technology skills, and that foster well-rounded life capabilities including self-confidence, communication, and leadership.

Program Activities and Events

The Organization's activities and events provide inspiration to PreK12 youth and prepare them for the world of tomorrow. For example, the Organization's suite of programs starts with *FIRST*® LEGO® League (FLL), for which there are three distinct divisions: *FIRST*® LEGO® League Discover, for children ages 4 to 6, reaches over 52,000 youths with playful hands-on activities in the classroom and the home using LEGO® DUPLO® bricks; *FIRST*® LEGO ® League Explore, which reaches over 200,000 students ages 6 to 10 with team-based challenges where students create unique solutions made with LEGO bricks and powered by LEGO® Education technologies; and *FIRST*® LEGO ® League Challenge, which reaches over 357,000 students, ages 9 to 16, in 76 countries, by engaging them in research, problem solving, coding, and engineering using LEGO® Education technologies. *FIRST*® Tech Challenge (FTC) is a highly accessible design and build robotics competition with annual themed challenges for ages 12 to 18, reaching almost 118,000 youth participants. The *FIRST*® Robotics Competition (FRC) features teams of approximately 25 high school students working with professional mentors to design and build industrial-sized robots from a common kit of parts, reaching over 94,000 students. The Organization fundraises to assist teams with support for their program registration fees, tools and supplies, and event-related costs plus funds for the local tournament providers. Restricted contributions and grants expended on such costs totaled $12,056,523 in 2026 and $11,232,412 in 2025.

1. Summary of Significant Accounting Policies

Financial Statement Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting.

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase.

The Organization maintains cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. However, balances are swept nightly into investments collateralized by U.S. Treasury obligations. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant risk with respect to these accounts.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization provides for probable uncollectible accounts after considering each category of receivable individually and estimates an allowance for credit losses based on the nature of the receivable. Management has established an allowance for credit losses of $55,580 and $108,121 at June 30, 2026 and 2025, respectively. Based on management's assessment of the credit history with customers having account balances, current relationships with them, and reasonable and supportable forecasts, it has concluded that realization of losses on balances outstanding at year-end to be minimal.

Short-Term Investments

Short-term investments consist of certificates of deposit with original maturities of four to twelve months. Cost approximates market value.

Program Supply Inventory

Program supply inventory consists of FTC and FRC kit components and is stated at lower of cost or net realizable value.

Investments

Investments in marketable securities and debt instruments with readily determined market values are carried at fair value. Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

Dividends, interest, and net realized and unrealized gains (losses) arising from investments are reported as follows:

- Increases (decreases) in net assets with donor restrictions if the terms of the gift require that they be maintained with the corpus of a donor restricted endowment fund;
- Increases (decreases) in net assets with donor restrictions if the terms of the gift or state law imposes restrictions on the use of the allocated investment income (loss); and
- Increases (decreases) in net assets without donor restrictions in all other cases.

Property and Equipment

Property and equipment is stated at cost on the date acquired, while donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method.

Website and portal costs related to site design and configuration are capitalized and amortized over a three-year expected life using the straight-line method.

Income Taxes

The Organization is a not-for-profit organization as described under Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and state income taxes on income related to the fulfillment of the Organization's mission. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Revenue Recognition, Contributions, and Pledges Receivable

The Organization's primary revenue sources are from team fees, materials, and registration for events related to the Organization's programs. Registration fees are reported at the estimated net realizable amount that reflects consideration to which the Organization expects to be entitled in exchange for hosting certain events.

Performance obligations are determined based on the nature of services provided by the Organization. Revenue from performance obligations satisfied at a point in time consists of season and event registration fees, kit of parts, robots, and other product sales. Revenue for performance obligations satisfied at a point in time is recognized when control of the product is transferred to the customer or when actual services are rendered. Whether multi-day or single-day events, the Organization considers the performance obligation for such revenues met at the conclusion of the event. Payment is generally due in advance of shipment of materials, or in advance of the event, or within 30 days of an event.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. If gifts are received with donor stipulations that limit the use of the donated assets, the gifts are reported in net assets with donor restrictions. The Organization has received no contributions with donor restrictions that are perpetual in nature.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as support with donor restrictions. Absent explicit donor stipulations as to how long-lived assets must be maintained, satisfactions of donor restrictions are reported when the property or equipment are acquired and placed in service.

Unconditional promises to give are recorded as pledges receivable and revenue in the fiscal year the pledges are made at their fair value. Unconditional promises are those for which verifiable evidence exists that a legally binding promise to give has been made. Contributions to be received beyond one year from the statements of financial position date are reduced by a discount rate, which is commensurate with the risk involved, to reflect the present value of the future payments to be received.

Conditional promises to give are described in Note 4 and are not recorded until specified obligations or barriers such as milestones or performance targets are met.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on an analysis of personnel time (compensation, benefits and payroll taxes) and space utilized for the related services (occupancy).

Federal Grant Revenues

The Organization receives federal grant awards for various programs. Revenue is recognized in net assets without donor restrictions as the award expenditures are incurred for awards received and expended in the same year. Revenue with donor restrictions - temporary in nature is recognized upon receipt of notice of the award for unconditional awards extending beyond year-end. Total federal grant revenues recognized during the years ended June 30, 2026 and 2025 were $3,842,434 and $4,581,895, respectively.

In-Kind Contributions

Contributions of services are recognized at fair value when received if the services require specialized skills, are provided by individuals or entities possessing those skills, and would typically need to be purchased if not donated. Contributions of program and other supplies are recorded at fair value upon receipt when there is an objective and reasonable basis upon which to value the in-kind contributions. These contributions are an integral part of the Organization's activities. The Organization receives program supplies, shipping services, and event-related services from a variety of organizations.

Volunteers provide a variety of services to further the Organization's mission both domestically and internationally. Volunteers serve as mentors, teachers, engineers, and event staff. The value of these services has not been recorded in the financial statements. Management estimates volunteers gave more than 35,146,000 hours in 2026 and 39,263,000 hours in 2025.

During 2026 and 2025, the Organization recorded the value of contributed program supplies, competition venues, services, and property and equipment in the financial statements as follows:

	2026	2025
Contributions without donor restrictions included in program expenses		
FRC		
Kits, and related supplies, for events, including shipping services in the amount of $576,125 in 2026 and $802,344 in 2025	**$ 3,304,954**	$ 6,960,691
Venue rentals	**333,710**	283,856
Legal services and travel vouchers	**-**	6,000
FLL		
Kits, and related supplies, for events	**477,678**	401,729
FTC		
Kits, and related supplies, for events	**34,663**	14,752
Legal services and travel vouchers	**-**	6,000
Total included in program expenses	**4,151,005**	7,673,028
Contributions with donor restrictions – temporarily in nature – recorded as program supplies received and limited to use in a future period (included in prepaid expenses and other assets or program supply inventory)	**504,764**	445,635
Contributions of property and equipment	**-**	30,000
Contributions of program supply inventory	**3,670,205**	280,037
Total	**$ 8,325,974**	$ 8,428,700

Contributed kits, related supplies, and venues are substantially utilized during the same financial reporting period they were contributed and are used for the various events of FRC, FLL, and FTC. The value of these goods is based on the Organization's estimate of fair value based on the value that would be received for selling similar products, or renting similar venues, in the United States.

Contributed legal services are comprised of professional fees from attorneys related to FRC, FLL, and FTC events for various administrative legal matters and are valued on the basis of current rates for similar legal services.

Subsequent Events

The Organization's management has considered transactions or events occurring through October 9, 2026, which was the date that the financial statements were available to be issued.

2. Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization's sources of liquidity include cash and cash equivalents and short-term investments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities, and general and administrative services undertaken to support those ongoing activities, to be general expenditures. This excludes net assets with donor restrictions and restricted cash as those are restricted expenditures for specific programs or purposes, rather than general expenditures.

At June 30, the following financial assets could readily be available within one year of the statements of financial position date to meet general expenditures:

	2026	2025
Financial assets		
Cash and cash equivalents	**$ 10,171,159**	$ 12,599,365
Restricted cash – scholarship funds	**1,006,105**	1,363,930
Accounts receivable	**3,054,360**	3,331,593
Investments	**40,415,818**	43,265,338
Pledges and nonfederal grants receivable	**6,371,665**	2,808,702
Federal grants receivable	**188,811**	136,139
Total financial assets	**61,207,918**	63,505,067
Less net assets with donor restrictions temporary in nature	**(27,647,593)**	(25,958,236)
Plus contributions with donor restrictions – temporary in nature – recorded as program supplies included in prepaid expenses and other assets	**504,764**	445,635
Expected net assets with donor restrictions temporary in nature for management and general that will be available for operations in next year (Note 8)	**569,925**	1,322,750
Financial assets available to meet general expenditures within one year	**$ 34,635,014**	$ 39,315,216

3. Accounts Receivable, Federal Grants Receivable, and Deferred Revenue

The opening and closing balances in accounts receivable, net, federal grants receivable, and deferred revenue were as follows:

	Accounts Receivable	Federal Grants Receivable	Deferred Revenue
July 1, 2024	$ 3,496,481	$ 5,445,279	$ 2,153,015
June 30, 2025	3,331,593	136,139	1,012,164
June 30, 2026	3,054,360	188,811	180,976

4. Pledges and Nonfederal Grants Receivable

Pledges and nonfederal grants receivable were due as follows at June 30:

	2026	2025
Due within one year	**$ 2,573,865**	$ 2,808,702
Due between one and three years	**3,950,000**	-
Total pledges and nonfederal grants receivable	**6,523,865**	2,808,702
Less present value discount at 4.94% at June 30, 2026	**(152,200)**	-
Pledges and nonfederal grants receivable, net	**$ 6,371,665**	$ 2,808,702

During 2021, the Organization received a conditional pledge totaling approximately $4.6 million. As of June 30, 2026, all conditions and performance milestones have been satisfied. During the years ended June 30, 2026 and 2025, the Organization recognized approximately $240,000 and $700,000, respectively, in revenues based on achieving performance milestones in accordance with the pledge agreement.

5. Fair Value of Financial Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants and also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The fair value hierarchy within FASB ASC Topic 820 distinguishes three levels of inputs that may be utilized when measuring fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data. The Organization did not have any Level 2 assets as of June 30, 2026 and 2025, respectively.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. The Organization did not have any Level 3 assets as of June 30, 2026 and 2025, respectively.

The following table sets forth by level, within the fair value hierarchy, the Organization's short-term investments and investments measured at fair value on a recurring basis and as of June 30:

2026	**Level 1**	**Total**
U.S. Treasury Government Bonds	**$ 23,638,090**	**$ 23,638,090**
Certificates of Deposit	**16,777,728**	**16,777,728**
	$ 40,415,818	**$ 40,415,818**
2025	Level 1	Total
U.S. Treasury Government Bonds	$ 13,118,970	$ 13,118,970
Certificates of Deposit	30,146,368	30,146,368
	$ 43,265,338	$ 43,265,338

6. Discretionary Defined Contribution Plan

The Organization maintains a discretionary defined contribution benefit plan (the Plan) for its employees. Under the Plan, enrolled employees may contribute a portion of their salary to tax deferred investment accounts. The Organization may contribute an amount based on the employee's contribution level. The Organization may make additional annual contributions, shared equally among all qualifying employees, at the discretion of the Board of Directors. During the years ended June 30, 2026 and 2025, the Organization contributed a total of $1,020,463 and $930,495, respectively, to the Plan.

7. Operating Lease

During 2023, the Organization entered into a building lease under a noncancelable operating lease that expired in August 2026 subject to FASB ASC Topic 842, *Leases*. The original lease expired in May 2026 and was renewed through August 2026 under the same terms, including monthly lease payments of $16,841. Effective September 2026, the Organization entered into a new noncancelable operating lease agreement for the same building with monthly lease payments of $18,845 through August 2029. The following table presents the right-of-use asset and lease liability as of June 30:

	2026	2025
Asset		
Right-of-use operating lease asset	**$ 636,248**	$ 182,219
Liability		
Current portion of operating lease liability	**$ 188,450**	$ 182,219
Operating lease liability	**447,798**	-
	$ 636,248	$ 182,219
Discount rate	**4.46 %**	3.98 %
Remaining lease term	**3.00**	0.92

Expense under the operating lease was $185,251 and $202,092, which is included in occupancy expense in the statements of functional expenses for each of the years ended June 30, 2026 and 2025, respectively, which approximated the cash paid for the operating lease.

The maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating lease liability is as follows for the years ending June 30:

2027	$ 188,450
2028	226,140
2029	226,140
2030	37,690
Total	678,420
Less present value discount	(42,172)
	$ 636,248

8. Net Assets with Donor Restrictions – Temporary in Nature

Net assets with donor restrictions temporary in nature are available for the following purposes at June 30:

	2026	2025
Program activities and events		
FRC	**$ 2,254,078**	$ 3,030,867
FLL	**43,418**	1,108,285
FTC	**783,316**	1,924,223
Program, during future periods as directed by donors	**22,820,844**	17,436,100
Management and general	**749,925**	1,322,750
The Bart Kamen Memorial *FIRST* Scholarship Fund	**784,829**	894,829
The Woodie Flowers Memorial *FIRST* Scholarship Fund	**211,183**	241,182
	$ 27,647,593	$ 25,958,236

Net assets were released for the following purposes during the years ended June 30:

	2026	2025
Program activities and events	**$ 45,720,391**	$ 34,388,664
Management and general	**2,644,864**	2,304,160
Bart Kamen scholarships	**110,000**	170,000
Woodie Flowers scholarships	**30,000**	65,000
	$ 48,505,255	$ 36,927,824