

**STUDENTS 2 SCIENCE, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2024 AND 2023**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Students 2 Science, Inc.  
East Hanover, New Jersey

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Students 2 Science, Inc., a nonprofit organization, which comprise the statements of financial position as of August 31, 2024 and 2023, and the related statements of activities and changes in net assets, 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 Students 2 Science, Inc. as of August 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Students 2 Science, 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 opinion.

#### ***Responsibilities of Management for the Audits of 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 Students 2 Science, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' Responsibilities for the Audits of the Financial Statements***

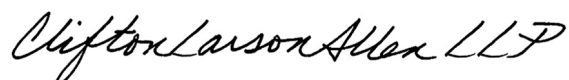
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

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

In performing an audit in accordance with GAAS, we:

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



**CliftonLarsonAllen LLP**

Livingston, New Jersey  
December 19, 2024

**STUDENTS 2 SCIENCE, INC..  
STATEMENTS OF FINANCIAL POSITION  
AUGUST 31, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,508,100	\$ 1,618,428
Investments	3,012,742	2,816,700
Contributions Receivable	606,300	625,260
Prepaid Expenses	169,460	2,080
Total Current Assets	5,296,602	5,062,468
<b>PROPERTY AND EQUIPMENT, Net</b>	174,441	138,979
<b>OTHER ASSETS</b>		
Security Deposits	20,000	20,000
Right of Use Asset	46,983	328,879
Total Assets	\$ 5,538,026	\$ 5,550,326
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 108,845	\$ 108,707
Right of Use Liability	48,448	333,539
Total Current Liabilities	157,293	442,246
<b>Long-Term Debt, Net of Current Portion</b>	500,000	500,000
Total Liabilities	657,293	942,246
<b>NET ASSETS</b>		
Without Donor Restrictions	3,663,233	3,102,094
With Donor Restrictions	1,217,500	1,505,986
Total Net Assets	4,880,733	4,608,080
Total Liabilities and Net Assets	\$ 5,538,026	\$ 5,550,326

See accompanying Notes to Financial Statements.

**STUDENTS 2 SCIENCE, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED AUGUST 31, 2024 AND 2023**

	Year Ended August 31, 2024			Year Ended August 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions	\$ 998,764	\$ 1,217,500	\$ 2,216,264	\$ 378,058	\$ 1,877,916	\$ 2,255,974
Program Income	1,690,075	-	1,690,075	1,646,193	-	1,646,193
In-Kind Contributions	1,035,320	-	1,035,320	808,189	-	808,189
Government Contributions	28,000	-	28,000	-	-	-
Net Assets Released from Restriction	1,505,986	(1,505,986)	-	1,803,166	(1,803,166)	-
Total Support and Revenue	<u>5,258,145</u>	<u>(288,486)</u>	<u>4,969,659</u>	<u>4,635,606</u>	<u>74,750</u>	<u>4,710,356</u>
<b>EXPENSES</b>						
Program Services	3,909,692	-	3,909,692	3,842,910	-	3,842,910
General and Administrative	880,882	-	880,882	559,485	-	559,485
Fundraising	84,570	-	84,570	97,662	-	97,662
Total Expenses	<u>4,875,144</u>	<u>-</u>	<u>4,875,144</u>	<u>4,500,057</u>	<u>-</u>	<u>4,500,057</u>
<b>CHANGE IN NET ASSETS</b>	383,001	(288,486)	94,515	135,549	74,750	210,299
<b>NONOPERATING INCOME</b>						
Investment Income	120,829	-	120,829	63,242	-	63,242
Investment Gains	54,848	-	54,848	63,277	-	63,277
Miscellaneous Revenue	2,461	-	2,461	3,015	-	3,015
Total Nonoperating Income	<u>178,138</u>	<u>-</u>	<u>178,138</u>	<u>129,534</u>	<u>-</u>	<u>129,534</u>
<b>CHANGE IN NET ASSETS</b>	561,139	(288,486)	272,653	265,083	74,750	339,833
Net Assets - Beginning of Year	<u>3,102,094</u>	<u>1,505,986</u>	<u>4,608,080</u>	<u>2,837,011</u>	<u>1,431,236</u>	<u>4,268,247</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,663,233</u>	<u>\$ 1,217,500</u>	<u>\$ 4,880,733</u>	<u>\$ 3,102,094</u>	<u>\$ 1,505,986</u>	<u>\$ 4,608,080</u>

See accompanying Notes to Financial Statements.

**STUDENTS 2 SCIENCE, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED AUGUST 31, 2024 AND 2023**

	Year Ended August 31, 2024				Year Ended August 31, 2023			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,844,252	\$ 318,575	\$ 43,960	\$ 2,206,787	\$ 1,657,389	\$ 234,457	\$ 51,717	\$ 1,943,563
Salaries In-Kind	328,022	-	-	328,022	301,998	-	-	301,998
Payroll Taxes and Benefits	273,450	36,840	5,026	315,316	244,873	26,959	5,912	277,744
Total Salaries and Related Costs	2,445,724	355,415	48,986	2,850,125	2,204,260	261,416	57,629	2,523,305
Facilities Cost	494,627	36,750	18,375	549,752	519,963	38,578	19,289	577,830
Supplies	562,039	2,547	-	564,586	550,060	2,200	-	552,260
Consultants	150,024	206,858	3,220	360,102	196,321	-	-	196,321
Equipment Service	103,474	-	-	103,474	113,835	-	-	113,835
Depreciation	40,245	-	-	40,245	110,173	-	-	110,173
Professional Fees	-	75,933	-	75,933	-	90,565	-	90,565
Production Equipment	4,166	-	-	4,166	68,166	-	-	68,166
IT Services	-	80,303	-	80,303	-	67,981	-	67,981
Meals	24,589	12,614	2,410	39,613	19,282	11,022	3,066	33,370
Website	6,198	6,658	-	12,856	22,880	7,704	-	30,584
Insurance	-	31,155	-	31,155	-	20,832	-	20,832
Laundry	29,836	-	-	29,836	18,186	-	-	18,186
Program Services	14,204	-	-	14,204	17,573	-	-	17,573
Interest Expense	-	17,612	-	17,612	-	14,830	-	14,830
Subscriptions	-	13,496	-	13,496	-	13,621	-	13,621
Office Expenses	-	19,600	-	19,600	-	13,333	-	13,333
Advertising	-	-	6,733	6,733	-	-	11,436	11,436
Hiring	-	12,621	-	12,621	-	10,713	-	10,713
Business Development	-	-	1,819	1,819	-	-	3,208	3,208
Miscellaneous Expense	12,130	598	-	12,728	-	1,644	817	2,461
Education and Training	-	4,264	-	4,264	-	2,266	-	2,266
Credit Card Processing Fees	-	-	3,027	3,027	-	-	2,217	2,217
Content Development	22,436	-	-	22,436	2,211	-	-	2,211
Conference, Convention, Meetings	-	2,899	-	2,899	-	1,962	-	1,962
License and Fees	-	1,559	-	1,559	-	818	-	818
Total Expenses	\$ 3,909,692	\$ 880,882	\$ 84,570	\$ 4,875,144	\$ 3,842,910	\$ 559,485	\$ 97,662	\$ 4,500,057

See accompanying Notes to Financial Statements.

**STUDENTS 2 SCIENCE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 272,653	\$ 339,833
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities:		
Donated Stock	(5,209)	(5,077)
Amortization of Leases	(3,195)	4,660
Depreciation	40,245	110,173
Unrealized Gain on Investments	(54,848)	(63,277)
Changes in Certain Assets and Liabilities:		
Contributions Receivable	18,960	14,689
Prepaid Expenses	(167,380)	-
Accounts Payable and Accrued Expenses	138	(36,326)
Net Cash Provided (Used) by Operating Activities	101,364	364,675
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(75,707)	(54,706)
Purchase of Investments	(1,565,409)	(2,862,520)
Sale of Investments	1,429,424	289,815
Net Cash Used by Investing Activities	(211,692)	(2,627,411)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(110,328)	(2,262,736)
Cash and Cash Equivalents - Beginning of Year	1,618,428	3,881,164
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,508,100	\$ 1,618,428
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Donated Equipment	\$ 65,956	\$ 4,600

See accompanying Notes to Financial Statements.



**STUDENTS 2 SCIENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2024 AND 2023**

**NOTE 1 NATURE OF ACTIVITIES**

Students 2 Science, Inc. (Organization) is a nonprofit corporation formed on March 20, 2009, in the state of New Jersey. The Organization's mission is to inspire and empower students from communities in need through experiential learning to pursue careers in science, technology, engineering, and math (STEM) to foster a more diverse, equitable, and inclusive workforce. Students 2 Science has proven to be an essential supplemental program for STEM learning for over forty-five school districts, charter school networks, and community-based out-of-school programs throughout central and northern New Jersey. The Organization provides three signature programs; the Virtual Lab (V-Lab) program for experiments in the classroom, the "Improving Student Affinity and Aptitude for Careers in STEM" (ISAAC) in-laboratory program delivered through their state-of-the-art Technology Centers, and the Career Advancement Program (CAP), which provides high school students with opportunities for STEM career and education pathways exploration.

Students 2 Science operates Technology Centers in Newark and in East Hanover. Through both of these sites, the Organization provided 270 ISAAC programs, 1,757 V-Lab sessions, and 51 CAP events allowing them to reach 43,953 students for the year that ended August 31, 2024.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Adoption of New Accounting Standard**

The Organization has adopted ASU 2016-13, Financial Instruments – *Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

**Financial Statement Presentation**

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

*Net Assets Without Donor Restrictions* – Net assets not subject to donor-imposed stipulations.

**STUDENTS 2 SCIENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2024 AND 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statement Presentation (Continued)**

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Also, other net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of funds maintained in bank accounts and short-term, highly liquid money market investments.

**Fair Value**

Fair value measurements are defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three defined hierarchical levels based on the quality of inputs used that directly relate to the amount of subjectivity associated with the determination of fair value.

The fair value hierarchy defines the three levels as follows:

*Level 1* – Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

*Level 2* – Valuations based on observable inputs other than Level 1 prices, such as: quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

*Level 3* – Valuations based on unobservable inputs are used when little or no market is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

The fair values of investments are as follows:

*Common Stock* – Shares in companies traded on national securities exchanges are valued at the closing price reported in the active market in which the individual securities are traded.

*Mutual Funds* – Shares in companies traded on national securities exchanges are valued at the closing price reported in the active market in which the individual securities are traded.

**STUDENTS 2 SCIENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2024 AND 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value (Continued)**

*Treasury Bills* – Short-term U.S. government debt obligation based on quoted market prices in active markets.

**Accounts Receivable**

Accounts receivable consist of program revenue earned but not received at year-end. Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization charges uncollectible accounts receivable to operations when determined to be uncollectible, and believes that, as of August 31, 2024 and 2023, an allowance for credit losses was deemed not necessary.

**Contributions Receivable**

Contributions receivable consist of corporate, foundation, and individual contributions not yet received. Contributions receivable are stated at the amount management expects to collect from outstanding balances. The management of the Organization reviews the collectability of contributions receivable periodically based on historical trends and believes that, as of August 31, 2024 and 2023, an allowance for uncollectible receivables was deemed not necessary.

**Property and Equipment**

Property and equipment purchases greater than \$2,000 that extend the useful lives of the assets are capitalized and recognized in the statements of financial position at cost. Donated property and equipment is recorded at fair value on the date of donation. The Organization did not receive donated equipment during the years ended August 31, 2024 and 2023.

Depreciation is recorded on a straight-line basis over the estimated useful lives of such assets as follows:

	<u>Method</u>	<u>Estimated Useful Life</u>
Lab Equipment and Software	Straight-line	5 to 10 Years
Lab Fixtures	Straight-line	10 to 20 Years
Furniture Fixtures	Straight-line	5 Years
Office Equipment	Straight-line	5 Years
Software	Straight-line	3 Years

When assets are retired, or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. Maintenance, repairs, and minor replacements that do not improve or extend the life of an asset are expensed as incurred.

**STUDENTS 2 SCIENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2024 AND 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Contributions are recognized as revenue when they are received or unconditionally pledged. Conditional contributions are not recognized until the conditions are substantially met, or explicitly waived.

Contributions are recorded as revenue as either with or without donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Revenue from government agencies is considered a conditional contribution and is not recognized until the conditions related to this revenue are substantially met, or explicitly waived. Cash received in excess of revenue recognized is reported as refundable advances.

The Organization derives a portion of its revenue from programs. This revenue is recognized over time as services are provided to customers, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for providing the service. There are no significant financing components or variable considerations provided to clients.

**In-Kind Contributions**

The Organization receives donated equipment, supplies and professional services from various donors to fulfill its mission. The Organization also regularly receives services from volunteers who are not acting in a professional capacity. Volunteer services do not meet the criteria for financial statement recognition and are not included in the financial statements.

**Advertising**

All advertising costs are expensed in the period they are incurred. During the years ended August 31, 2024 and 2023, the Organization reported approximately \$6,700 and \$11,400 of advertising expenses, respectively, that is included in advertising expense on the statements of functional expenses.

**Income Taxes**

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not liable for federal and state income taxes.

**STUDENTS 2 SCIENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2024 AND 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes (Continued)**

The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during the years ended August 31, 2024 and 2023. At August 31, 2024 and 2023, there are no significant income tax uncertainties.

**Use of Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Leases**

The Organization leases office and laboratory space in East Hanover and Newark, New Jersey. The Organization determines if an arrangement is a lease at inception. Operating leases, including the operating lease right of use assets, liabilities and operating leases are recorded on the statements of financial position.

ROU assets represent the Organization's right of use to an underlying asset for the lease term and the lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. As most leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU assets also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain the Organization will exercise that option. The lease expenses for the lease payments are recognized on a straight-line basis of the lease term. The organization has elected to recognize payments for the short-term leases with a lease term of 12 months or less an expense incurred, and the leases are not included as lease liabilities or right of use assets on the statements of financial position.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization obtained substantially all of the rights of the underlying assets through exclusivity, if the Organization can direct the use of the assets by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive rights. This evaluation may require significant judgment.

**STUDENTS 2 SCIENCE, INC.  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2024 AND 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

The Organization has evaluated its subsequent events and transactions occurring after August 31, 2024 through December 19, 2024, the date the financial statements were available to be issued.

**NOTE 3 INVESTMENTS**

Investments stated at fair value are as follows for the years ended August 31:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Common Stock	\$ 196,878	\$ 231,598	\$ 172,798	\$ 199,678
Mutual funds	518,114	517,499	513,579	512,180
Treasury Bills	2,231,637	2,263,645	2,086,983	2,104,842
	<u>\$ 2,946,629</u>	<u>\$ 3,012,742</u>	<u>\$ 2,773,360</u>	<u>\$ 2,816,700</u>

Investment income from these investments is summarized as follows for the years ended August 31:

	2024	2023
Interest and Dividend Income	\$ 120,829	\$ 63,242
Unrealized Gain on Investments	54,848	63,277
Total	<u>\$ 175,677</u>	<u>\$ 126,519</u>

Fair value measurements are as follows for the years ended August 31:

	2024			
	Level 1	Level 2	Level 3	Total
Common Stock	\$ 231,598	\$ -	\$ -	\$ 231,598
Mutual funds	517,499	-	-	517,499
Treasury Bills	2,263,645	-	-	2,263,645
Total	<u>\$ 3,012,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,012,742</u>

	2023			
	Level 1	Level 2	Level 3	Total
Common Stock	\$ 199,678	\$ -	\$ -	\$ 199,678
Mutual funds	512,180	-	-	512,180
Treasury Bills	2,104,842	-	-	2,104,842
Total	<u>\$ 2,816,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,816,700</u>

**STUDENTS 2 SCIENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2024 AND 2023**

**NOTE 4 CONTRIBUTIONS RECEIVABLE**

Contributions receivable consist of the following:

	<u>2024</u>	<u>2023</u>
Corporations and Schools	\$ 555,000	\$ 395,000
Foundations	50,000	230,000
Individuals	1,300	260
Total Contributions Receivable	<u>\$ 606,300</u>	<u>\$ 625,260</u>

**NOTE 5 LEASES – ASC 842**

The Organization conducts all its operations from a leased facility under an operating lease that expires in October 2024. Beginning November 2024, the Organization will enter into a month-to-month lease agreement in the same leased facility until their new leased facility is ready in 2025.

The following table provides quantitative information concerning the Organization's leases:

	<u>2024</u>	<u>2023</u>
Lease Costs:		
Operating Lease Costs	\$ 286,390	\$ 286,390
Other Information:		
Operating Cash Flows from Operating Leases	\$ 281,730	\$ 281,730
Weighted Average Remaining Lease Term - Operating Leases	0.2 Years	1.2 Years
Weighted Average Discount Rate - Operating Leases	2.88%	2.88%

The Organization classifies the total undiscounted lease payments that are used in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of August 31, 2024 is as follows:

<u>Year Ending August 31,</u>	<u>Amount</u>
2025	<u>\$ 48,506</u>
Undiscounted cash flows	48,506
(Less) Imputed Interest	(58)
Total	<u>\$ 48,448</u>

**STUDENTS 2 SCIENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2024 AND 2023**

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following:

	<u>2024</u>	<u>2023</u>
Lab Equipment and Software	\$ 2,354,577	\$ 2,347,724
Lab Fixtures	186,951	186,951
Furniture and Fixtures	158,596	155,698
Office Equipment	95,452	29,496
Software	<u>220,764</u>	<u>220,764</u>
Total Fixed Assets	3,016,340	2,940,633
Less: Accumulated Depreciation	<u>2,841,899</u>	<u>2,801,654</u>
Property and Equipment, Net	<u><u>\$ 174,441</u></u>	<u><u>\$ 138,979</u></u>

**NOTE 7 LOANS PAYABLE**

In June 2020, the Organization secured an emergency injury disaster loan for \$149,900 from the Small Business Administration, which is to be used for working capital purposes. In July 2021, the Organization increased the loan to \$500,000. The loan is payable over 30 years, beginning 12 months after the loan proceeds have been disbursed. Interest accrues at a rate of 2.75%. The loan was originally scheduled to be repaid starting in June 2021 and was deferred by the Small Business Administration twice until December 2022. Installment payments, including interest and principal, are due monthly beginning December 2022 in the amount of \$2,210. The loan is collateralized with all of the Organization's tangible assets.

Maturity of loan for each of the next five years and thereafter is as follows:

<u>Year Ending August 31,</u>	<u>Amount</u>
2025	\$ 10,913
2026	13,201
2027	13,569
2028	13,948
2029	14,134
Thereafter	<u>434,235</u>
Total	<u><u>\$ 500,000</u></u>

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

The following net assets with donor restrictions are available for the following purposes:

	<u>2024</u>	<u>2023</u>
Time Restrictions	\$ 721,250	\$ 838,736
Apollo	125,000	-
Career Advancement Program	166,250	322,250
Pittsburgh Schools	55,000	65,000
Somerset Schools	150,000	175,000
Boys & Girls Club - V Lab	-	<u>105,000</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 1,217,500</u></u>	<u><u>\$ 1,505,986</u></u>



**STUDENTS 2 SCIENCE, INC.**  
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**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets released from time and use restrictions consist of the following:

	2024	2023
Time Restrictions	\$ 838,736	\$ 1,174,000
Capital Advancement Program	322,250	-
Paterson School District	-	25,000
Pittsburgh Schools	65,000	92,500
Somerset Schools	175,000	200,000
CRM Enhancements	-	15,000
Evaluation of sites	-	150,000
North80	-	100,666
Boys and Girls Club - V Lab	105,000	46,000
Total Net Assets Released from Restrictions	\$ 1,505,986	\$ 1,803,166

**NOTE 9 IN-KIND CONTRIBUTIONS**

The Organization receives donated equipment, supplies and professional services that create or enhance nonfinancial assets and allow the Organization to fulfill its mission. Donated professional services are recognized if the services received: create or enhance long-lived assets or require specialized skills; are provided by individuals possessing those skills; and would typically need to be purchased if not provided by donation. The amounts are recorded at fair market value by donors.

The Organization also regularly receives services from volunteers who are not acting in a professional capacity; such volunteer services do not meet the criteria for financial statement recognition and are not included in the financial statements. Volunteers worked approximately 1,600 and 4,437 hours in 2024 and 2023, respectively.

In-kind contributions received by the Organization for the years ended August 31, 2024 and 2023 were considered to be contributions without donor restrictions and are able to be used by the Organization as determined by the board of directors and management. All amounts were used in program activities with the exception of professional services, which were used for management and general purposes. In-kind contributions were valued at fair market value, with the exception of those provided by Newark Public Schools, which were based on actual costs.

In-kind contributions consist of the following:

	2024	2023
Newark Rent and Utilities	\$ 182,246	\$ 187,127
Newark Salaries and Benefits	389,100	358,261
Professional Services	254,393	53,665
Lab Supplies and Equipment	143,626	204,536
Capitalized Equipment	65,955	4,600
Total In-Kind Contributions	\$ 1,035,320	\$ 808,189

**STUDENTS 2 SCIENCE, INC.**  
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**NOTE 10 FUNCTIONAL EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis on the statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting services. Management and general expenses are those not directly identifiable with any specific function, but which provide for the overall support and direction of the Organization.

The financial statements contain certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Facility costs have been allocated based on square footage ratably between program services, management and general, and fundraising. All other expenses, including salaries and related expenses, are direct costs.

**NOTE 11 PENSION PLAN**

In April 2021, the Organization implemented a 403(b) plan. The plan allows for employee contributions and discretionary employer contributions based on certain eligibility criteria. During the years ended August 31, 2024 and 2023, there were no discretionary employer contributions made.

**NOTE 12 CONCENTRATIONS**

At August 31, 2024 and 2023, three donors accounted for approximately 76% and 80% of contributions receivable, respectively.

**NOTE 13 SIGNIFICANT RISKS AND UNCERTAINTIES**

Financial instruments that expose the Organization to concentrations of credit risk consist primarily of cash and cash equivalents, receivables, and investments. The Organization maintains cash and cash equivalent balances at a financial institution. At times, cumulative balances may exceed the insured limit.

The Organization's investments are concentrated in bonds, mutual funds, and stocks. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position.

**STUDENTS 2 SCIENCE, INC.**  
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**NOTE 14 COMMITMENTS AND CONTINGENCIES**

**Newark Public Schools Agreement**

In July 2021, the Organization entered into a memorandum of understanding with Newark Board of Education that expires on June 30, 2026, to continue to inspire, motivate, and educate Newark students to pursue careers in science technology and mathematics. Newark Board of Education will continue to donate commercial office space, related utilities, and staffing associated with the program. The value of the donated space and employee contribution is estimated at approximately \$571,000 and \$545,000, respectively, and these amounts are included in In-Kind Contributions on the statements of activities and changes in net assets, and Facilities Cost and Salaries In-Kind on the statement of functional expenses for the years ended August 31, 2024 and 2023. In addition, Newark Public Schools is responsible for an annual commitment of \$1,100,000 of expense reimbursement. This amount has been recorded as Program Income on the statements of activities and changes in net assets for the year ended August 31, 2024 and 2023.

**NOTE 15 LIQUIDITY AND AVAILABILITY**

The following represents the Organization's financial assets, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for general expenditure in the following year.

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 1,508,100	\$ 1,618,428
Investments	3,012,742	2,816,700
Contributions Receivable	606,300	625,260
Total Financial Assets	<u>5,127,142</u>	<u>5,060,388</u>
Less: Amounts not Available to be Used Within One Year:		
Net Assets with Donor Restrictions	(1,217,500)	(1,505,986)
Net Assets with Purpose Restrictions to be Met in Less Than One Year	<u>721,250</u>	<u>838,736</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ 4,630,892</u>	<u>\$ 4,393,138</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity plan, excess cash is invested in short-term investments, such as money market accounts and Level 1 investments.



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