

# Research Corporation for Science Advancement

Audited Financial Statements as of and for the Years Ended  
December 31, 2025 and 2024

# Table of Contents

Independent Auditor's Report .....	1
Statements of Financial Position .....	3
Statements of Activities.....	4
Statements of Functional Expenses .....	5
Statements of Cash Flows .....	6
Notes to the Financial Statements .....	8

## Independent Auditor's Report

To the Board of Directors and Management  
Research Corporation for Science Advancement  
Tucson, Arizona

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

We have audited the financial statements of Research Corporation for Science Advancement (the "Foundation"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

#### ***Opinion***

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2025 and 2024, and the results of its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("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 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

To the Board of Directors and Management  
Research Corporation for Science Advancement

### **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 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 Foundation'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 Foundation'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.



---

Keegan Linscott & Associates, PC  
Tucson, Arizona  
May 14, 2026

# Research Corporation for Science Advancement

## Statements of Financial Position

As of December 31,

	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 5,291,421	\$ 4,435,653
Grants and accounts receivable	480,224	483,743
Dividends receivable	698,946	-
Investments	261,454,499	235,613,127
Other assets	340,986	341,545
Operating lease asset	385,186	565,836
Property and equipment, net of accumulated depreciation of \$848,290 and \$842,228, respectively	236,585	37,073
<b>Total assets</b>	<b>\$ 268,887,847</b>	<b>\$ 241,476,977</b>
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 246,348	\$ 284,672
Grants and awards payable	3,883,900	2,292,044
Other liabilities	2,066,743	1,188,379
Operating lease liability	391,480	565,836
<b>Total liabilities</b>	<b>6,588,471</b>	<b>4,330,931</b>
<b>Net assets</b>		
Without donor restrictions	262,299,376	237,146,046
<b>Total liabilities and net assets</b>	<b>\$ 268,887,847</b>	<b>\$ 241,476,977</b>

The accompanying notes are an integral part of the financial statements

**Research Corporation for Science Advancement**

Statements of Activities

For the years ended December 31,

	<b>2025</b>	<b>2024</b>
<b>Change in net assets without donor restrictions:</b>		
Revenues and support:		
<b>Net investment gains:</b>		
Net capital gains	\$ 33,888,647	\$ 26,325,833
Interest and Dividend Income	2,339,037	1,807,728
	36,227,684	28,133,561
Support	5,467,671	3,211,920
	41,695,355	31,345,481
<b>Expenses:</b>		
Program services	14,892,853	11,809,118
General and administrative	1,649,172	1,612,010
	16,542,025	13,421,128
Reduction in LBT liability	-	10,000
Change in net assets without donor restrictions	25,153,330	17,934,353
Net assets without donor restrictions, beginning of year	237,146,046	219,211,693
<b>Net assets without donor restrictions, end of year</b>	<b>\$ 262,299,376</b>	<b>\$ 237,146,046</b>

The accompanying notes are an integral part of the financial statements

## Research Corporation for Science Advancement

### Statements of Functional Expenses

For the years ended December 31,

2025						
	Grants and Awards	Conferences and Convening	Communications and Outreach	Total Program Services	General and Administrative	Total
Grant and awards approved	\$ 10,882,792	\$ -	\$ -	\$ 10,882,792	\$ -	\$ 10,882,792
Salaries	904,386	318,426	283,158	1,505,970	693,013	2,198,983
Employee benefits	370,138	123,747	91,534	585,419	231,476	816,895
<b>Total personnel</b>	<b>1,274,524</b>	<b>442,173</b>	<b>374,692</b>	<b>2,091,389</b>	<b>924,489</b>	<b>3,015,878</b>
Conferences and meetings	58,853	1,290,106	57,243	1,406,202	262,497	1,668,699
Rent and occupancy costs	135,875	40,998	30,072	206,945	75,940	282,885
Professional and outside services	52,668	-	-	52,668	62,075	114,743
Consultants and other expenses	153,772	21,909	77,176	252,857	322,591	575,448
Taxes	-	-	-	-	1,580	1,580
<b>Total Expenses</b>	<b>\$ 12,558,484</b>	<b>\$ 1,795,186</b>	<b>\$ 539,183</b>	<b>\$ 14,892,853</b>	<b>\$ 1,649,172</b>	<b>\$ 16,542,025</b>
2024						
	Grants and Awards	Conferences and Convening	Communications and Outreach	Total Program Services	General and Administrative	Total
Grant and awards approved	\$ 8,207,673	\$ -	\$ -	\$ 8,207,673	\$ -	\$ 8,207,673
Salaries	803,063	310,179	225,850	1,339,092	571,003	1,910,095
Employee benefits	328,829	123,321	85,245	537,395	215,502	752,897
<b>Total personnel</b>	<b>1,131,892</b>	<b>433,500</b>	<b>311,095</b>	<b>1,876,487</b>	<b>786,505</b>	<b>2,662,992</b>
Conferences and meetings	54,234	1,084,261	50,037	1,188,532	255,875	1,444,407
Rent and occupancy costs	139,109	48,319	28,731	216,159	69,838	285,997
Professional and outside services	51,135	-	-	51,135	50,424	101,559
Consultants and other expenses	170,798	32,036	66,298	269,132	447,404	716,536
Taxes	-	-	-	-	1,964	1,964
<b>Total Expenses</b>	<b>\$ 9,754,841</b>	<b>\$ 1,598,116</b>	<b>\$ 456,161</b>	<b>\$ 11,809,118</b>	<b>\$ 1,612,010</b>	<b>\$ 13,421,128</b>

The accompanying notes are an integral part of the financial statements

## Research Corporation for Science Advancement

### Statements of Cash Flows

For the years ended December 31,

	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 25,153,330	\$ 17,934,353
<b>Adjustments to reconcile change in net assets to net cash used in operating activities</b>		
Depreciation	179	5,051
Amortization	5,883	-
Net realized and unrealized gain on investments	(39,914,249)	(31,274,470)
Reduction in carrying amount of right-of-use asset	180,650	195,173
<b>Changes in operating assets and liabilities</b>		
Grants and accounts receivable	3,519	59,079
Dividend receivable	(698,946)	-
Investment redemption receivable	-	6,203,583
Other assets	559	(107,731)
Accounts payable and accrued expenses	(38,324)	18,026
Grants and awards payable	1,591,856	563,700
Other liabilities	878,364	536,954
Operating lease liability	(174,356)	(206,949)
<b>Net cash used in operating activities</b>	<b>(13,011,535)</b>	<b>(6,073,231)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(19,301,142)	(40,990,104)
Proceeds from sale of investments	33,374,019	47,686,239
Purchase of property and equipment	(205,574)	(15,126)
<b>Net cash provided by investing activities</b>	<b>13,867,303</b>	<b>6,681,009</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from note payable, bank	1,920,000	2,895,000
Payment of note payable, bank	(1,920,000)	(2,895,000)
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
Net change in cash and cash equivalents	855,768	607,778
Cash and cash equivalents, beginning of year	4,435,653	3,827,875
Cash and cash equivalents, end of year	\$ 5,291,421	\$ 4,435,653
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for interest	\$ 78,249	\$ 112,756
<b>Right-of-use assets obtained in exchange for new lease obligations</b>		
Operating lease	\$ -	\$ 565,836

The accompanying notes are an integral part of the financial statements

## **Notes to the Financial Statements**

### 1. Organization

Research Corporation is a tax-exempt private operating foundation incorporated in New York doing business as Research Corporation for Science Advancement (the "Foundation"). The Foundation provides catalytic funding for innovative scientific research and the development of academic scientists in the physical sciences at universities and colleges in the United States and Canada.

### 2. Summary of Significant Accounting Policies

#### Basis of Presentation

The financial statements and accompanying notes are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

#### Net Assets Classification

The Foundation's net assets are all classified as net assets without donor restrictions. The Foundation has no assets with donor restrictions.

#### Cash and Cash Equivalents

For financial statement reporting purposes, the Foundation considers all highly liquid instruments purchased with original maturities of three months or less to be cash equivalents. The carrying amount of cash equivalents approximates their fair values. The Foundation places its cash and cash equivalents with high credit quality institutions. At times, such amounts may be in excess of the FDIC and SIPC insurance limits; however, management does not believe they are exposed to any significant credit risk on cash and cash equivalents.

#### Investments

Investments are carried at fair value. All of the Foundation's investments are held in professionally managed mutual funds, unconsolidated limited partnerships or special purpose entities.

Investment transactions are recorded on the trade date. Investment gains and losses include both realized and unrealized gains and losses and are included in the change in net assets in the accompanying statements of activities as increases or decreases in net assets without donor restrictions unless their use is temporarily or permanently restricted by explicit donor-imposed stipulations or legal requirements net of related investment fees. Realized gains or losses are recognized in the period sales or other transactions occur and are computed using the first-in, first-out method. Dividends and interest income are accrued when earned.

Investments are considered to be impaired when a decline in fair value is judged to be other-than-temporary. The Foundation employs a systematic methodology on an annual basis that considers available quantitative and qualitative evidence in evaluating potential impairment of its investments. If the cost of an investment exceeds its fair value, management evaluates, among other factors, general market conditions, the duration and extent to which the fair value is less than cost, and the intent and ability to hold the investment.

**2. Summary of Significant Accounting Policies (continued)**

**Investments (continued)**

The Foundation also considers specific adverse conditions related to the financial health of and business outlook for the investee, including industry and sector performance, changes in technology, operational and financing cash flow factors, and rating agency actions. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded and a new cost basis in the investment is established. Through December 31, 2025, the Foundation has not experienced other-than-temporary impairment losses on its investments.

**Fair Value Measurements**

Fair value is defined as the price to sell an asset or transfer a liability between market participants in an orderly exchange in the principal or most advantageous market for that asset or liability. Mutual funds are valued at quoted market prices. The fair value for the qualifying alternative investments is determined based on the investment's net asset value as a practical expedient. Considerable judgment is required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and estimation methodologies may have a material effect on the estimated fair value.

**Fair Value Financial Instruments**

The Foundation's cash and cash equivalents, receivables, accounts payable and accrued expenses, and other financial assets and liabilities approximate fair value because of the short maturity of these items. The carrying value of grants and awards payable approximates fair value since they are carried at their expected payment amounts. There have been no changes in the valuation methods or significant assumptions used to estimate the fair value. The fair value measurements for assets remeasured at fair value in the accompanying financial statements are disclosed in Note 4.

**Leases**

The Foundation leases its office space. The determination of whether an arrangement is a lease is made at the lease's inception. Under Topic 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Lease assets represent the Foundation's right to use an underlying asset for the lease term, and lease liabilities represent the Foundation's obligation to make lease payments. Lease assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Foundation uses the implicit rate when it is readily determinable. Since the Foundation's lease does not provide an implicit rate, to determine the present value of lease payments, management uses a risk-free rate based on the information available at lease commencement. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Operating lease assets also include any lease payments made and exclude any lease

**2. Summary of Significant Accounting Policies (continued)**

**Leases (continued)**

incentives. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The Foundation's lease agreement has lease and non-lease components, which are generally accounted for separately, with amounts allocated to the lease and non-lease components based on stand-alone prices.

**Property and Equipment, Net**

Property and equipment are stated at cost and depreciated using the straight-line method over estimated useful lives of 3 to 10 years. Leasehold improvements are depreciated over the shorter of the remaining lease term or the estimated useful life of the improvement.

**Grants and Awards Payable**

The Foundation accounts for its unconditional promises to give, which are normally in the form of grants or awards, as an expense in the year the unconditional promise is approved. Any unpaid promises to give are reported as grants and awards payable. Grants provided under federal cost reimbursement funding are recorded as expense upon the Foundation's receipt of subrecipient expenditures.

**Program Expense Allocation**

Expenses that can be identified with a specific program or supporting service are charged directly according to their natural expense classification. Costs incurred that share a common purpose, such as compensation and occupancy costs are allocated based upon estimates made by management of time spent by employees on various activities. Investment expenses, which are netted with revenue include an allocation of internal expenses, such as compensation and occupancy costs, for the Foundation's staff as well as amounts paid to third parties.

**Programs**

The Foundation has two major programs – the Scialog conference program and the Cottrell Scholars program. The Scialog program consists of multi-year thematic conferences administered by the Foundation and generally conducted with the participation of other private foundations and/or governmental agencies as collaborators and funders. Scialog collaborators have the option of participating in the conferences, and 1) administering their own grants or 2) providing funding to the Foundation and having the Foundation administer the grants. In those conferences where the Foundation administers the grants, the accompanying financial statement present the outside funding as support and the related grants are included in program services in the statement of activities. Outside funding received for which program expenditures have not yet been approved or incurred are recorded as deferred revenue. The Foundation had a deferred revenue balance of \$1,734,207 and \$874,000 for the years ended December 31, 2025 and 2024, respectively, and are included as part of other liabilities in the accompanying statements of financial position.

## 2. Summary of Significant Accounting Policies (continued)

### Revenue Recognition

*Support* – Support consists of grants from governmental, nonprofit organizations, and private companies for use by the Foundation in funding its programs. The Foundation accounts for its grants by first determining whether the transaction is an exchange transaction or a contribution. If the transaction is one in which each party to the transaction directly receives commensurate value, then the transaction is considered an exchange transaction, and the Foundation recognizes revenue in accordance with ASC 606. Grants revenues from exchange transactions are recognized as performance obligations are satisfied, which in most cases are as related costs are incurred or services are provided. If the transaction is considered a contribution, then the Foundation recognizes revenue in accordance with ASC 958-605. All grants are considered contributions or support.

*Contributions* - Contributions are classified based on the existence or absence of donor-imposed restrictions as either conditional or unconditional as follows:

- *Conditional* – Includes all contributions with donor-imposed conditions or stipulations representing a barrier that must be overcome before the recipient is entitled to the assets being transferred or promised. A failure to overcome the barrier gives the contributor a right of return of the assets it has transferred or the ability to rescind an obligation to transfer.
- *Unconditional* – Includes all contributions that do not contain a barrier to use and therefore are recorded as revenue once cash or a contribution is received. Donor imposed restrictions for time and/or purpose are not considered a significant barrier and thus these contributions are recorded as unconditional.

Contribution revenue is recorded when the unconditional promise to give is received. Under this method, the recognition of support for financial statement purposes bears no relation to the period in which the expenses are incurred. Revenue related to conditional contributions is recognized once the relevant barriers of each contribution are met. If the funds are received from the donor before the relevant barriers are met, deferred revenue is recorded and included as part of other liabilities in the accompanying statements of financial position for the amount of funds provided by the donor. Consequently, government funded grants revenue which are considered contributions are recognized when the related barriers to provide services are delivered and/or expenditures are incurred.

### Income Tax

The Foundation qualifies as a tax-exempt private operating foundation under Internal Revenue Code Section 4940(d). Income from certain activities not directly related to the Foundation's tax-exempt purpose may be subject to taxation as unrelated business taxable income (UBTI).

From time to time, the Foundation may be subject to interest and penalties assessed by various taxing authorities which are classified as general and administrative expenses, if they occur. During the years ended December 31, 2025 and 2024, the Foundation did not recognize any interest and penalties.

Notes to the Financial Statements

**2. Summary of Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of commitments. Actual results and outcomes may differ from management's estimates and assumptions, and such differences could be material.

**3. Liquidity and Availability of Resources**

The Foundation manages its liquidity by maintaining adequate working capital, allocating a portion of its investments equal to 2 years of operating cash needs in highly liquid investments, and maintaining an available line of credit with a financial institution (see Note 6).

The following table shows a determination of the Foundation's financial assets that are available to meet cash needs for general expenditures expected within one year as of December 31:

	2025	2024
Cash and cash equivalents	\$ 5,291,421	\$ 4,435,653
Grants and accounts receivable	480,224	483,743
Dividends receivable	698,946	-
Liquid investments	102,645,931	105,987,071
	109,116,522	110,906,467
Contractual restrictions Scialog partner funding	(2,593,670)	(1,728,579)
Minimum cash on hand per LOC Agreement	(1,000,000)	(1,000,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 105,522,852	\$ 108,177,888

The Foundation's current financial assets available to meet cash needs for general expenditure represent over two years of cash on hand. The classification of liquid investments encompasses the fair values of Global Equity and Global Fixed Income mutual funds, which the Foundation has determined to be readily convertible to cash within the next year without any expected redemption constraints or significant market penalties. The table excludes the effect of unfunded commitments, which are disclosed in Note 4.

**4. Investments and Fair Value Measurements**

The investment goal of the Foundation is to maintain or grow its spending power in real (inflation adjusted) terms with risk at a level appropriate to the Foundation's programmatic spending and objectives. The Foundation diversifies its investments among various financial instruments and asset categories, including both active and passive approaches. The investments of the Foundation are managed by external management firms. The cost presented in the following tables consists of cash invested less cash returned.

Notes to the Financial Statements

**4. Investments and Fair Value Measurements (continued)**

The Foundation utilizes the fair value hierarchy required by ASC 820, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

**Level 1:** Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.

**Level 2:** Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

**Level 3:** Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

**Practical Expedient:** Investments valued at net asset value per share (or its equivalent) as a practical expedient may not represent fair value as would be determined in a readily available market. The fair value as reported may significantly vary from what could be realized in an active market. This approach is commonly applied to investments in private funds and limited partnerships for which no published price quotations are available.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As of December 31, 2025, the Foundation had additional unfunded commitments totaling \$5,000,000 related to investment agreements that are not yet reflected as investments in the financial statements and are therefore not shown in the table below.

The following table represents the Foundation's financial assets that are measured at fair value on a recurring basis as of December 31, 2025 (in thousands):

Description	Cost	Fair value	Practical expedient	Level 1	Unfunded commitments	Redemption frequency	Redemption notice period
Global equity:							
Mutual funds (a)	47,163	134,566	53,520	81,046	-	0-3 year lock	N/A
Private equity funds	10,185	14,490	14,490	-	8,550	None	N/A
Global fixed income:							
Mutual funds	21,153	21,600	-	21,600	-	None	N/A
Limited partnerships (c)	21,691	30,164	30,164	-	12,314	None	N/A
Diversifying strategy:							
Open-ended multi strategy fund (b)	8,936	9,933	9,933	-	3,950	Annually	90 days
Long Short Funds (a)	21,108	39,109	39,109	-	750	2-3 year lock	N/A
Limited partnerships (c)	5,336	5,560	5,560	-	210	None	N/A
Real assets:							
Limited partnerships (c)	3,379	6,032	6,032	-	5,000	None	N/A
Total:	138,951	261,454	158,808	102,646	30,774		

Notes to the Financial Statements

4. Investments and Fair Value Measurements (continued)

The following table represents the Foundation's financial assets that are measured at fair value on a recurring basis as of December 31, 2024 (in thousands):

Description	Cost	Fair value	Practical expedient	Level 1	Unfunded commitments	Redemption frequency	Redemption notice period
Global equity:							
Mutual funds (a)	50,744	119,089	41,766	77,323	-	0-3 year lock	N/A
Private equity funds	8,485	11,409	11,409	-	9,230	None	N/A
Global fixed income:							
Mutual funds	28,573	28,664	-	28,664	-	None	N/A
Limited partnerships (c)	17,076	25,358	25,358	-	4,750	None	N/A
Diversifying strategy:							
Open-ended multi strategy fund (b)	8,000	8,250	8,250	-	5,000	Annually	90 days
Long Short Funds (a)	15,700	26,069	26,069	-	1,300	2-3 year lock	N/A
Limited partnerships (c)	6,266	8,158	8,158	-	330	None	N/A
Real assets:							
Limited partnerships (c)	4,591	8,616	8,616	-	-	None	N/A
Total:	139,435	235,613	129,626	105,987	20,610		

(a) This category consists of investment funds that invest in global public equities on a long/short basis in a highly concentrated fashion or in a very targeted sector fashion. The funds have a lock-up period of 2-3 years after which each has various liquidity or redeemability features. Only the portion reported in the practical expedient column is subject to these terms.

(b) This category consists of open-end funds, which invests in various strategies including investments in special private credit situations, music, film, and similar royalties, and venture funds that invest in early to mid-stage companies across a diverse array of industries globally.

(c) This category consists of various closed-end limited partnerships with finite lives up to 15 years, which do not permit redemption before termination. These investments consist of various debt-related strategies and other equity-related strategies not considered correlated with the broader market. The debt related strategies include whole loan origination, commercial and residential mortgage-backed securitized lending, European real estate and key facility corporate lease lending. The other strategies include technology and blockchain related strategies. Substantially all of the value of the investments in this category cannot be redeemed until distributions are received through the liquidation of the underlying assets of the funds. It is estimated that the underlying assets will be liquidated over the next 10 years.

The Foundation's equity investments are managed by independent managers utilizing a global investment strategy. This strategy includes allocations to emerging markets, aiming to optimize returns and distribute risks by investing in diverse geographic regions that have different economic growth potentials.

## Research Corporation for Science Advancement

### Notes to the Financial Statements

#### 4. Investments and Fair Value Measurements (continued)

Net capital gains consist of the following:

	2025	2024
Net realized and unrealized gains on investments	\$ 39,914,249	\$ 31,274,470
Investment advisory fees	(5,771,292)	(4,634,691)
Internal investment management costs	(254,310)	(313,946)
<b>Total</b>	<b>\$ 33,888,647</b>	<b>\$ 26,325,833</b>

#### 5. Leases

The Foundation leases its office space under a noncancelable operating lease expiring in 2027.

	2025	2024
Operating lease cost	\$ 200,780	\$ 195,913
Variable lease cost	12,191	29,767
<b>Total lease cost</b>	<b>\$ 212,971</b>	<b>\$ 225,680</b>

Supplemental cash flow information related to leases is as follows:

	2025	2024
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows from operating leases	\$194,487	\$207,689
<b>Weighted-average remaining lease term:</b>		
Operating lease	2 years	3 years
<b>Weighted-average discount rate:</b>		
Operating lease	4.28%	4.28%

The maturities of operating lease liabilities as of December 31, 2025 were as follows:

Year Ending December 31,	Operating Leases
2026	\$ 200,718
2027	207,135
<b>Total lease payments</b>	<b>407,853</b>
Less imputed interest	(16,373)
<b>Total present value of lease liabilities</b>	<b>\$ 391,480</b>

**6. Line of Credit**

The Foundation has a \$10,000,000 uncollateralized revolving line of credit with a major commercial bank with interest at the Daily Simple SOFR (5.27% and 4.53% average during December 2025 and 2024, respectively) plus 1.95%. The line was renewed in September 2025 and now matures in September 2027. There was no outstanding balance as of December 31, 2025 or 2024.

**7. Benefit Plans**

**Defined Contribution Plan**

The Foundation has a noncontributory defined contribution plan for all eligible employees. The Foundation makes fully vested contributions ranging from 10% - 15% of compensation, based on years of service. The Foundation incurred defined contribution plan expense of \$240,806 and \$223,226 for the years ended December 31, 2025 and 2024, respectively.

**Flexible Benefits Plan**

The Foundation has a flexible benefits plan whereby it contributes 10% of compensation for eligible employees to be used for medical, retirement, education and other expenses. The Foundation contributed \$211,023 and \$215,037 to the plan for the years ended December 31, 2025 and 2024, respectively.

**8. Commitments and Contingencies**

**Large Binocular Telescope Project**

Through December 31, 2018, the Foundation held a 12.5% interest in the LBT project and had sold or granted all its viewing rights, along with the obligation to pay the related operating costs, to other universities. The Foundation's interest, including the viewing rights contracts for three other universities, was transferred to The Ohio State University. Subsequent to this transfer, all universities involved have signed agreements acknowledging the transfer and relieving the Foundation of any further obligation. As a result, as of December 31, 2024 the Foundation has no remaining contingent liability in relation to the LBT project. Reflecting the above events, the Foundation has recorded a reduction in the LBT-related liability amounting to \$10,000, which is included in other income in the statements of activities for the year ended December 31, 2024.

**Legal Contingency**

From time to time, the Foundation may be party to certain pending or threatened lawsuits arising out of or incident to the ordinary course of business for which it carries general liability and other insurance coverages. In the opinion of management and based upon consultation with legal counsel, resolution of any pending or threatened lawsuits will not have a material adverse effect on the Foundation's financial statements.

**9. Subsequent Events**

The Foundation evaluated subsequent events through May 14, 2026, the date the financial statements were available to be issued, and concluded that no additional disclosures are required, except for an additional \$5,000,000 investment commitment which is unfunded as of the date of issuance.