

IRVINE NATURAL SCIENCE CENTER, INC.

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Independent Auditors' Report

To the Board of Trustees
Irvine Natural Science Center, Inc.
Owings Mills, Maryland

Opinion

We have audited the accompanying financial statements of Irvine Natural Science Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 Irvine Natural Science Center, Inc. as of June 30, 2025 and 2024, 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. 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 Irvine Natural Science Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' Report (continued)

Auditors' 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 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Weylich, Cronin & Serra, LLC

Hunt Valley, Maryland
February 24, 2026

IRVINE NATURAL SCIENCE CENTER, INC.Statements of Financial Position
June 30, 2025 and 2024ASSETS

ASSETS:	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 4,552,547	\$ 4,064,746
Investments	4,939,660	4,840,460
Promises to give, net of discount	192,366	277,172
Prepaid expenses	71,169	44,812
Inventory	4,210	5,983
Property and equipment - net	6,443,035	6,512,272
Beneficial interest in endowment fund	223,498	197,002
TOTAL ASSETS	<u>\$ 16,426,485</u>	<u>\$ 15,942,447</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts payable and accrued expenses	\$ 114,608	\$ 173,235
Deposits	441,231	432,656
Total Liabilities	<u>555,839</u>	<u>605,891</u>
NET ASSETS:		
Without donor restrictions:		
General operating	1,088,700	849,925
Investment in plant	6,214,035	6,283,272
Board designated	548,382	535,957
Total Net Assets		
Without Donor Restrictions	7,851,117	7,669,154
With donor restrictions	8,019,529	7,667,402
Total Net Assets	<u>15,870,646</u>	<u>15,336,556</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,426,485</u>	<u>\$ 15,942,447</u>

See accompanying notes to financial statements

IRVINE NATURAL SCIENCE CENTER, INC.

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	Without Donor Restrictions				
	General Operating/ Investment in Plant	Board Designated	Total	With Donor Restrictions	Total
SUPPORT AND REVENUE:					
Fundraising					
Contributions	\$ 641,035	\$ - 0 -	\$ 641,035	\$ 921,726	\$ 1,562,761
Foundation grants	496,780	- 0 -	496,780	10,000	506,780
Contributions of nonfinancial assets and services	133,584	- 0 -	133,584	- 0 -	133,584
Special events, net	143,503	- 0 -	143,503	- 0 -	143,503
	<u>1,414,902</u>	<u>- 0 -</u>	<u>1,414,902</u>	<u>931,726</u>	<u>2,346,628</u>
Program Income					
Admissions	11,581	- 0 -	11,581	- 0 -	11,581
Preschool program	360,096	- 0 -	360,096	- 0 -	360,096
Summer camp	274,133	- 0 -	274,133	- 0 -	274,133
Adult seminars	30,007	- 0 -	30,007	- 0 -	30,007
Birthday parties	44,265	- 0 -	44,265	- 0 -	44,265
School program	48,896	- 0 -	48,896	- 0 -	48,896
Infant and toddler programs	50,092	- 0 -	50,092	- 0 -	50,092
Home school co-op	98,053	- 0 -	98,053	- 0 -	98,053
After school club	72,636	- 0 -	72,636	- 0 -	72,636
Other programs	23,141	- 0 -	23,141	- 0 -	23,141
	<u>1,012,900</u>	<u>- 0 -</u>	<u>1,012,900</u>	<u>- 0 -</u>	<u>1,012,900</u>
Other Income					
Rental income	55,782	- 0 -	55,782	- 0 -	55,782
Retail loss, net	(647)	- 0 -	(647)	- 0 -	(647)
Investment income, net	390,334	- 0 -	390,334	117,621	507,955
Change in value of beneficial interest in endowment fund	- 0 -	- 0 -	- 0 -	26,496	26,496
Other income	2,690	- 0 -	2,690	- 0 -	2,690
	<u>448,159</u>	<u>- 0 -</u>	<u>448,159</u>	<u>144,117</u>	<u>592,276</u>
Net assets released from restrictions					
Satisfaction of donor restrictions	723,716	- 0 -	723,716	(723,716)	- 0 -
Board transfers - net of amounts appropriated for expenditure	(12,425)	12,425	- 0 -	- 0 -	- 0 -
Total Support and Revenue	<u>3,587,252</u>	<u>12,425</u>	<u>3,599,677</u>	<u>352,127</u>	<u>3,951,804</u>
EXPENSES:					
Program services	2,987,879	- 0 -	2,987,879	- 0 -	2,987,879
Supporting services:					
Management and general	83,334	- 0 -	83,334	- 0 -	83,334
Fundraising	346,501	- 0 -	346,501	- 0 -	346,501
Total Expenses	<u>3,417,714</u>	<u>- 0 -</u>	<u>3,417,714</u>	<u>- 0 -</u>	<u>3,417,714</u>
CHANGE IN NET ASSETS	169,538	12,425	181,963	352,127	534,090
NET ASSETS AT BEGINNING OF YEAR	<u>7,133,197</u>	<u>535,957</u>	<u>7,669,154</u>	<u>7,667,402</u>	<u>15,336,556</u>
NET ASSETS AT END OF YEAR	<u>\$ 7,302,735</u>	<u>\$ 548,382</u>	<u>\$ 7,851,117</u>	<u>\$ 8,019,529</u>	<u>\$ 15,870,646</u>

See accompanying notes to financial statements

IRVINE NATURAL SCIENCE CENTER, INC.

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2024

	Without Donor Restrictions			With Donor Restrictions	Total
	General Operating/ Investment in Plant	Board Designated	Total		
SUPPORT AND REVENUE:					
Fundraising					
Contributions	\$ 678,966	\$ - 0 -	\$ 678,966	\$ 1,987,384	\$ 2,666,350
Foundation grants	461,398	- 0 -	461,398	75,000	536,398
Contributions of nonfinancial assets and services	82,935	- 0 -	82,935	- 0 -	82,935
Special events, net	130,852	- 0 -	130,852	- 0 -	130,852
	<u>1,354,151</u>	<u>- 0 -</u>	<u>1,354,151</u>	<u>2,062,384</u>	<u>3,416,535</u>
Program Income					
Admissions	11,825	- 0 -	11,825	- 0 -	11,825
Preschool program	336,065	- 0 -	336,065	- 0 -	336,065
Summer camp	271,906	- 0 -	271,906	- 0 -	271,906
Adult seminars	27,238	- 0 -	27,238	- 0 -	27,238
Birthday parties	42,305	- 0 -	42,305	- 0 -	42,305
School program	39,050	- 0 -	39,050	- 0 -	39,050
Infant and toddler programs	41,417	- 0 -	41,417	- 0 -	41,417
Home school co-op	93,218	- 0 -	93,218	- 0 -	93,218
After school club	65,236	- 0 -	65,236	- 0 -	65,236
Other programs	32,321	- 0 -	32,321	- 0 -	32,321
	<u>960,581</u>	<u>- 0 -</u>	<u>960,581</u>	<u>- 0 -</u>	<u>960,581</u>
Other Income					
Rental income	89,760	- 0 -	89,760	- 0 -	89,760
Retail income, net	550	- 0 -	550	- 0 -	550
Investment income, net	405,612	- 0 -	405,612	338,247	743,859
Change in value of beneficial interest in endowment fund	- 0 -	- 0 -	- 0 -	22,259	22,259
Other income	5,416	- 0 -	5,416	- 0 -	5,416
	<u>501,338</u>	<u>- 0 -</u>	<u>501,338</u>	<u>360,506</u>	<u>861,844</u>
Net assets released from restrictions					
Satisfaction of donor restrictions	166,893	- 0 -	166,893	(166,893)	- 0 -
Board transfers - net of amounts appropriated for expenditure	7,478	(7,478)	- 0 -	- 0 -	- 0 -
Total Support and Revenue	<u>2,990,441</u>	<u>(7,478)</u>	<u>2,982,963</u>	<u>2,255,997</u>	<u>5,238,960</u>
EXPENSES:					
Program services	2,557,304	- 0 -	2,557,304	- 0 -	2,557,304
Supporting services:					
Management and general	62,064	- 0 -	62,064	- 0 -	62,064
Fundraising	421,694	- 0 -	421,694	- 0 -	421,694
Total Expenses	<u>3,041,062</u>	<u>- 0 -</u>	<u>3,041,062</u>	<u>- 0 -</u>	<u>3,041,062</u>
CHANGE IN NET ASSETS	(50,621)	(7,478)	(58,099)	2,255,997	2,197,898
NET ASSETS AT BEGINNING OF YEAR	<u>7,183,818</u>	<u>543,435</u>	<u>7,727,253</u>	<u>5,411,405</u>	<u>13,138,658</u>
NET ASSETS AT END OF YEAR	<u>\$ 7,133,197</u>	<u>\$ 535,957</u>	<u>\$ 7,669,154</u>	<u>\$ 7,667,402</u>	<u>\$ 15,336,556</u>

See accompanying notes to financial statements

IRVINE NATURAL SCIENCE CENTER, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2025

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Salaries	\$ 1,469,754	\$ 42,590	\$ 224,193	\$ 1,736,537
Payroll taxes	104,090	3,648	17,433	125,171
Employee benefits	87,876	4,840	17,427	110,143
	1,661,720	51,078	259,053	1,971,851
Advertising	15,025	- 0 -	299	15,324
Animal care	12,760	- 0 -	- 0 -	12,760
Art and design	500	- 0 -	600	1,100
Bank charges	30,772	127	17,714	48,613
Cultivation	- 0 -	- 0 -	1,912	1,912
Dues and subscriptions	40,694	950	4,563	46,207
Equipment rental	43,431	504	424	44,359
Expansion	396,490	10,783	9,076	416,349
Food	36,610	- 0 -	- 0 -	36,610
Insurance	98,342	2,675	2,251	103,268
Land maintenance	21,365	131	110	21,606
Materials	77,875	97	81	78,053
Miscellaneous	37,788	4,126	4,016	45,930
Office supplies	8,330	227	191	8,748
Postage	439	- 0 -	1,532	1,971
Printing	2,439	- 0 -	14,052	16,491
Professional services	71,863	1,954	1,646	75,463
Repairs and maintenance	97,860	2,539	2,137	102,536
Software	16,276	- 0 -	18,782	35,058
Speaker fees	4,144	- 0 -	- 0 -	4,144
Staff education	20,993	259	1,624	22,876
Travel	11,318	247	9	11,574
Utilities	47,869	1,301	1,096	50,266
	2,754,903	76,998	341,168	3,173,069
Depreciation	232,976	6,336	5,333	244,645
Total Expenses	\$ 2,987,879	\$ 83,334	\$ 346,501	\$ 3,417,714

See accompanying notes to financial statements

IRVINE NATURAL SCIENCE CENTER, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2024

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Salaries	\$ 1,364,577	\$ 36,244	\$ 293,659	\$ 1,694,480
Payroll taxes	97,764	2,597	21,039	121,400
Employee benefits	94,505	2,510	20,338	117,353
	1,556,846	41,351	335,036	1,933,233
Advertising	19,697	- 0 -	1,717	21,414
Animal care	11,633	- 0 -	- 0 -	11,633
Art and design	4,650	- 0 -	300	4,950
Bank charges	30,423	110	18,013	48,546
Cultivation	- 0 -	- 0 -	16,007	16,007
Dues and subscriptions	15,830	292	3,730	19,852
Equipment rental	45,898	571	481	46,950
Expansion	191,530	5,209	4,385	201,124
Food	33,809	- 0 -	- 0 -	33,809
Insurance	80,992	2,203	1,854	85,049
Land maintenance	32,641	378	318	33,337
Materials	80,723	251	212	81,186
Miscellaneous	33,075	1,375	1,552	36,002
Office supplies	5,456	148	125	5,729
Postage	1,168	28	2,176	3,372
Printing	3,479	22	8,873	12,374
Professional services	15,903	433	364	16,700
Repairs and maintenance	96,263	2,471	2,080	100,814
Software	15,310	- 0 -	17,665	32,975
Speaker fees	3,339	- 0 -	- 0 -	3,339
Staff education	8,798	61	802	9,661
Travel	7,567	27	- 0 -	7,594
Utilities	44,720	1,217	1,024	46,961
	2,339,750	56,147	416,714	2,812,611
Depreciation	217,554	5,917	4,980	228,451
Total Expenses	\$ 2,557,304	\$ 62,064	\$ 421,694	\$ 3,041,062

See accompanying notes to financial statements

IRVINE NATURAL SCIENCE CENTER, INC.

Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 534,090	\$ 2,197,898
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	244,645	228,451
Contribution of marketable securities	(166,096)	(235,589)
Net unrealized gain on investments	(68,536)	(352,187)
Net realized gain on investments	(147,128)	(156,917)
Change in value of beneficial interest in endowment fund	(26,496)	(22,259)
(Increase) decrease in current assets:		
Promises to give	84,806	(59,695)
Inventory	1,773	1,669
Prepaid expenses	(26,357)	(5,848)
Increase (decrease) in current liabilities:		
Accounts payable and accrued expenses	(58,627)	88,739
Deposits	8,575	(18,106)
	<u>380,649</u>	<u>1,666,156</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,045,532)	(1,293,906)
Proceeds from sale of investments	1,328,092	1,670,622
Purchase of property and equipment	(175,408)	(142,747)
	<u>107,152</u>	<u>233,969</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	487,801	1,900,125
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>4,064,746</u>	<u>2,164,621</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,552,547</u>	<u>\$ 4,064,746</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES:		
Gifts received in stock contributions	\$ 166,096	\$ 235,589
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS:		
Contributions of nonfinancial assets and services	\$ 133,584	\$ 82,935

See accompanying notes to financial statements

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements June 30, 2025 and 2024

1. Organization and Summary of Significant Accounting Policies

Nature of Organization - Irvine Natural Science Center, Inc. (the Center) is a nonprofit organization incorporated on June 9, 1981, in the State of Maryland. Its principal sources of revenues and expenses are from the promotion of the Center's environmental education activities and the property.

Basis of Accounting - The accompanying financial statements are presented in accordance with the accrual basis of accounting and, accordingly, reflect receivables, payables, and other assets and liabilities. As such, the Center recognizes revenue when earned and expenses when incurred.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and certain reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation - The Center is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent the portion of net assets that is not subject to donor-imposed restrictions. Such net assets are available for use at the discretion of management and/or the Board of Trustees for general operating purposes. The Board of Trustees may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net assets with donor restrictions represent the portion of net assets that is subject to donor-imposed restrictions. Such restrictions may specify a purpose for which, or time in which, resources can be used. Some net assets with donor restrictions include stipulations that assets provided be maintained permanently (perpetual in nature) while permitting the Center to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board-approved spending policy.

Cash and Cash Equivalents - The Center considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments - Investments are reported at their fair values in the statements of financial position and consist of common stocks and mutual funds. Unrealized and realized gains and losses are included in the statements of activities and changes in net assets as changes in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulations or by law. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Promises to Give - Unconditional promises to give consist of contributions receivable and are recognized as support in the period received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value, using interest rates applicable to the years in which the promises are scheduled to be received to discount the amounts. A discount on promises to give of \$12,564 and \$13,959 has been recorded for the years ended June 30, 2025, and 2024, respectively. The Center provides an allowance, as needed, for amounts deemed uncollectible. The allowance is based on historical experience and management's analysis of accounts receivable. Management believes all pledges to be collectible and accordingly no allowance has been recorded for the years ended June 30, 2025, and 2024.

Inventory - Nature store inventory is stated at the lower of cost or market with cost determined on a first-in, first-out basis.

Property and Equipment - Property and equipment are stated at cost, if purchased, or at fair value at the date of the gift, if donated. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Center reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Expenditures for maintenance and repairs are charged against operations as expended. Renewals and betterments that materially extend the life of the assets are capitalized. The Center's policy is to capitalize all property expenditures and renewals and betterments greater than \$1,000 with a useful life of a year or more. The cost or fair value of property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method. The following represents the estimated useful lives:

<u>Category</u>	<u>Years</u>
Buildings and improvements	5 - 40
Land improvements	15 - 40
Furniture and fixtures	3 - 10

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements June 30, 2025 and 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Valuation of Long-Lived Assets - The Center assesses its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds its fair value. Fair value is determined using either the discounted cash flows or market value approach, depending on the nature of the asset. If an impairment loss is recognized, the carrying amount of the asset is reduced to its fair value, and depreciation is adjusted prospectively based on the new carrying amount and the remaining useful life of the asset. No impairment charges were required to be recognized for the years ended June 30, 2025, and 2024.

Beneficial Interest in Endowment Fund - Generally Accepted Accounting Principles (GAAP) require not-for-profit beneficiaries of endowment funds held by unrelated parties to record, as a contribution and an asset, the present value of the estimated future cash receipts to be received from the endowment fund, over the life of the instrument. Due to the perpetual nature of these funds held by The Baltimore Community Foundation, Inc. (BCF), the future cash flows from these funds cannot be estimated. Under such circumstances, not-for-profits are permitted to base the present value measurement on the fair value of these funds. Increases and decreases in these fund's fair value are to be recorded as a change in value in the statements of activities.

Deposits - Represents advances of resources or revenue received in advance of the earnings process being completed.

Compensated Absences - Employees are permitted to carry over 40 hours of vacation time from one fiscal year to the next. Employees receive payment for their unused vacation time at termination. Accordingly, the Center has established a liability, reflected as a component of accrued expenses on the statements of financial position. Compensated absences based on unused benefit time as of June 30, 2025, and 2024 totaled \$16,292 and \$15,844, respectively.

Revenue Recognition – Grants and contributions received are recorded as revenue with or without donor restrictions, depending on the existence and nature of any such restrictions. All 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 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. Contributions and grants that are restricted by donors are recorded as revenue without donor restrictions if the restriction is satisfied in the same year as the contribution is received. Contributions and foundation grants are recognized when unconditional promises to give are made by donors or when conditions are substantially met.

Contributions solicited and received from the public under the Land and Trails Endowment Campaign which lack specific donor guidance are considered to be endowment gifts. Contributions received under that campaign which are unrestricted by the donor are treated as part of the Board designated endowment.

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Membership - Annual dues vary based on the level of membership and are nonrefundable. Membership dues are recognized in contribution income upon receipt, as they are considered a nonexchange transaction.

Program Income - The Center provides various educational programs for the general public. Programs fees are considered to be available for unrestricted use and are recognized as income throughout the program period (the performance period) which can run all fiscal year or a single point in time.

Fees received prior to the beginning of the program are deferred until the start of the program period for which the fee relates (contract liabilities). Payments are required at the start of the program with the exception of Early Childhood programs which are paid monthly.

Special Events - The Center operates several special events. Revenue related to these events is generally received in the same period the event takes place. Therefore, revenue is recognized in the period it is received. The performance obligation is satisfied on the date of the event.

Rental Income - The Center recognizes revenues from fixed-price contracts for each event. The contract specifies beginning and ending periods for each individual or group. Contract modifications or refunds are completed prior to the beginning of the event date. Revenue is recognized at the completion of each event. Amounts are billed once the contract is signed. Accounts receivable (contract assets) are amounts that have been billed and not collected. Deposits (contract liabilities) are amounts collected prior to the completion of the event ending date. These deposits are satisfied when revenue is recognized.

Retail Income - Retail income is earned at a single point in time, upon purchase of an item from the gift shop. Sales tax collected from customers are excluded from both sales and expenses.

The Center benefits from several different revenue streams. The disaggregation of revenue for the years ended June 30, 2025, and 2024 is included in the chart below:

Revenue Type	Timing of Revenue		
	Recognition		
		2025	2024
Contributions	Upon receipt	\$ 1,562,761	\$ 2,666,350
Foundation grants	Upon receipt	506,780	536,398
Contributions of nonfinancial assets and services	Upon receipt	133,584	82,935
Special events, net	Date of event	143,503	130,852
Program income	Period of program	1,012,900	960,581
Rental income	Period of lease	55,782	89,760
Retail income (loss), net	Point in time	(647)	550
Investment income, net	Period earned	534,451	766,118
Other income	Point in time	2,690	5,416
		<u>\$ 3,951,804</u>	<u>\$ 5,238,960</u>

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Contributions of Nonfinancial Assets - Occasionally the Center receives in-kind donations. Donated land, materials, and equipment are reflected as in-kind donations in the accompanying financial statements at their estimated values at date of receipt. Donations of goods and materials are recorded as support at their estimated fair value at the date of the donation (see Note 9). Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Donations of goods and materials are utilized in the Center's programs except those from special events are monetized.

Contributed Services - Contributed professional services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation (see Note 9). Other services have been contributed to the Center which do not meet the above requirements and therefore are not recognized in the financial statements.

Functional Allocation of Expenses - Expenses are presented by both function and natural classification in the statement of functional expenses. Expenses that are directly identifiable with a particular function are charged to the program or supporting service benefited. Other expenses may benefit more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include salaries and benefits which are allocated on the basis of estimated time and effort along with estimated usage of facilities based on square footage.

Income Taxes - The Center is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) as an organization, other than a private foundation, as described in Section 509(a). Accordingly, no provision for income taxes is included in the financial statements. The Center is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2022.

Advertising Costs - The Center expenses advertising costs as they are incurred. Advertising expense for the years ended June 30, 2025, and 2024 was \$15,324 and \$21,414, respectively.

Leases - The Center calculates its operating lease right-of-use asset and operating lease liability using its incremental borrowing rate and terms under the lease agreements. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. The Center amortizes the operating lease right-of-use asset over the lease term.

Reclassifications - Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform to the current year presentation.

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

2. Investments and Fair Value Measurements

The Center's investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Center uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Center measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The Center's policy is to recognize transfers between levels in the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer. For the year ended June 30, 2025 and 2024, there were no significant transfers into or out of Level 2 or 3.

Level 1 Fair Value Measurements

Investment in Mutual Funds

Mutual funds listed or traded on a national market or exchange are generally valued at publicly quoted prices. The Center's investments in mutual funds consist of domestic and foreign equity and debt instruments with diversified investment strategies.

Investment in Equity Securities

Equity securities listed or traded on a national market or exchange are valued at publicly quoted prices. The Center's investments in equity securities consist of common stocks in a variety of sectors.

Level 3 Fair Value Measurements

Beneficial Interest in Endowment Funds

Valued as described in Note 1.

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

2. Investments and Fair Value Measurements (continued)

The fair value measurements and levels within the hierarchy of those measurements for the assets reported at fair value on a recurring basis consisted of the following at June 30, 2025 and 2024:

	June 30, 2025					
	Fair value Measurements at the End of the Reporting Period					
	Cost	Quoted Prices in Active Markets for Identical Assets		Unobservable Inputs (Level 3)	Total	Unrealized Gain
		(Level 1)				
Mutual funds	\$ 2,238,003	\$ 2,340,592	\$ - 0 -	\$ 2,340,592	\$ 102,589	
Equity securities	1,045,689	2,599,068	- 0 -	2,599,068	1,553,379	
Total	\$ 3,283,692	\$ 4,939,660	\$ - 0 -	\$ 4,939,660	\$ 1,655,968	
Beneficial interest in endowment fund	\$ 121,290	\$ - 0 -	\$ 223,498	\$ 223,498	\$ 102,208	

	June 30, 2024					
	Fair value Measurements at the End of the Reporting Period					
	Cost	Quoted Prices in Active Markets for Identical Assets		Unobservable Inputs (Level 3)	Total	Unrealized Gain
		(Level 1)				
Mutual funds	\$ 2,133,844	\$ 2,211,162	\$ - 0 -	\$ 2,211,162	\$ 77,318	
Equity securities	1,124,391	2,629,298	- 0 -	2,629,298	1,504,907	
Total	\$ 3,258,235	\$ 4,840,460	\$ - 0 -	\$ 4,840,460	\$ 1,582,225	
Beneficial interest in endowment fund	\$ 116,083	\$ - 0 -	\$ 197,002	\$ 197,002	\$ 80,919	

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the year ended June 30:

	2025	2024
Balance at beginning of year	\$ 197,002	\$ 174,743
Interest and dividends, and other	5,207	4,965
Investment fees	(1,067)	(945)
Net unrealized gains (loss)	22,356	18,239
Balance at end of year	\$ 223,498	\$ 197,002

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

2. Investments and Fair Value Measurements (continued)

The following schedule summarizes the investment return and change in value of beneficial interest in endowment fund and its classification in the statements of activities as of June 30, 2025:

	Without Donor		With Donor Restrictions		Total
	Restrictions	Beneficial			
	General Operating	Time/Purpose Restricted	Interest in Endowment Fund		
Interest and dividends	\$ 261,010	\$ 52,866	\$ 5,207	\$ 319,083	
Net realized gains	98,046	49,082	- 0 -	147,128	
Net unrealized gains	48,421	24,255	22,356	95,032	
	<u>407,477</u>	<u>126,203</u>	<u>27,563</u>	<u>561,243</u>	
Less: Investment fees	(17,143)	(8,582)	(1,067)	(26,792)	
Total return on investments	<u>\$ 390,334</u>	<u>\$ 117,621</u>	<u>\$ 26,496</u>	<u>\$ 534,451</u>	

The following schedule summarizes the investment return and change in value of beneficial interest in endowment fund and its classification in the statements of activities as of June 30, 2024:

	Without Donor		With Donor Restrictions		Total
	Restrictions	Beneficial			
	General Operating	Time/Purpose Restricted	Interest in Endowment Fund		
Interest and dividends	\$ 191,557	\$ 67,595	\$ 4,965	\$ 264,117	
Net realized gains	48,009	108,908	- 0 -	156,917	
Net unrealized gains	176,820	175,367	18,239	370,426	
	<u>416,386</u>	<u>351,870</u>	<u>23,204</u>	<u>791,460</u>	
Less: Investment fees	(10,774)	(13,623)	(945)	(25,342)	
Total return on investments	<u>\$ 405,612</u>	<u>\$ 338,247</u>	<u>\$ 22,259</u>	<u>\$ 766,118</u>	

3. Promises to Give

Donor restricted promises to give are considered released from restriction at the earlier of the pledge period expiring or cash receipt. When payments are received on the promises to give, they are invested and become part of the board designated endowment. Endowment restricted promises to give are recognized as net assets with donor restrictions at the date of the unconditional promise. Discount rates ranged from 3.5% to 4.0% for 2025 and 4.5% to 5.0% for 2024. Promises to give as of June 30, 2025 and 2024 were \$204,930 and \$291,131, respectively.

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

3. Promises to Give (continued)

Unconditional promises to give are included in the financial statements as promised to give, net of discount and are expected to be realized in the following periods:

	<u>2025</u>	<u>2024</u>
Receivables to be collected in:		
Less than one year	\$ 148,277	\$ 134,173
1-5 years	<u>56,653</u>	<u>156,958</u>
Promises to give	204,930	291,131
Less: present value discount	<u>(12,564)</u>	<u>(13,959)</u>
 Promises to give, net	 <u>\$ 192,366</u>	 <u>\$ 277,172</u>

4. Property and Equipment

During the year ended June 30, 2016, the Center received a \$1,000,000 donation to acquire 93.04 acres of land adjacent to the existing nature center property. The acquired property is subject to certain conservation easements which restrict the extent to which the land may be developed in the future.

In 2001, the Center received 115.88 acres of land from the State of Maryland. The donation of land was recorded in the amount of \$229,000, representing the fair value of the land at the time of donation. The land is subject to a perpetual conservation easement, the purpose of which is to preserve and protect the environment and to maintain the open space values of the property and the dominant scenic, historic, cultural, rural, agricultural, woodland and wetland character of the property. As a result of this perpetual conservation easement, the land is restricted in use for the sole purpose of operating a nature center and various other restrictions as outlined in the agreement.

Property and equipment at June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 2,437,656	\$ 2,437,656
Land improvements	651,054	546,369
Building and improvements	6,024,666	5,983,977
Furniture and fixtures	<u>661,129</u>	<u>631,095</u>
	9,774,505	9,599,097
Less accumulated depreciation	<u>(3,331,470)</u>	<u>(3,086,825)</u>
 Total property and equipment	 <u>\$ 6,443,035</u>	 <u>\$ 6,512,272</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$244,645 and \$228,451, respectively.

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

5. Beneficial Interest in Endowment Funds

The Center entered into an agreement with The Baltimore Community Foundation, Inc. (BCF), a tax-exempt §501 (c)(3) organization, to establish an endowment fund with BCF.

The purpose of establishing the Fund was to encourage and enhance contributions, ensure perpetual continuity, and provide professional investment management of the Center's endowment fund. As part of this agreement, the Board of the Center authorized the transfer of its own funds to BCF.

The agreement for the Fund stipulates that the principal portion of the Fund will be held in perpetuity and that an amount of the net annual income earned by the Fund, as determined under the BCF's spending policy, will be distributed to the Center for as long as the Center is in existence. If for any reason the Center ceases operations, the agreement with BCF provides that this income will be used for a similar purpose.

The fair value of the Fund held by BCF at June 30, 2025 and 2024 was \$223,498 and \$197,002, respectively, which has been reflected as an asset in the statements of financial position. Gains of \$26,496 and \$22,259, associated with the Fund's change in fair value, have been recognized for the years ended June 30, 2025 and 2024, respectively, in the statements of activities. The Fund had distributions of \$-0- during the years ended June 30, 2025 and 2024.

6. Deposits

The Center reports deposits for those funds received in advance of programs and events conducted in the following fiscal year including pre-school tuition received prior to the start of the school year, summer camp fees received in advance of the camps being conducted and sponsorships in advance of events. Deposits as of June 30, 2025 and 2024 were comprised of the following:

	2025	2024
Pre-school tuition	\$ 31,189	\$ 38,244
Summer camp fees	212,393	217,888
Other	1,500	1,526
Corporate sponsorship	66,500	60,500
Earth friends	26,941	34,377
Parent and child	10,898	13,092
Adult seminars	7,985	8,004
Deferred grants	50,200	36,000
Rentals	33,625	23,025
	<u>\$ 441,231</u>	<u>\$ 432,656</u>

Revenue recognized from deposits during the year ended June 30, 2025 and 2024 was \$432,656 and \$450,762, respectively.

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements June 30, 2025 and 2024

7. Special Events - Net

Special events are recorded net of their related expenses. For the year ended June 30, 2025, gross receipts for events were \$354,170 and related expenses for the year were \$210,667. For the year ended June 30, 2024, gross receipts for events were \$327,256 and related expenses for the year were \$196,404. The Center also received donated goods for these events valued at \$75,621 and \$73,155 for the years ended June 30, 2025 and 2024, respectively reported as contributions of nonfinancial assets on the statements of activities and changes in net assets.

8. Retail Income - Net

Retail sales are recorded net of their related expenses. For the year ended June 30, 2025, gross receipts for sales were \$6,521 and related expenses for the year were \$7,168. For the year ended June 30, 2024, gross receipts for sales were \$7,044 and related expenses for the year were \$6,494.

9. Contributions of Nonfinancial Assets and Services

The Organization frequently receive various donated goods and services. Donated services are valued at fair market value rates at industry pricing for similar services. Goods and auction items are valued at fair market value for items in similar condition. During the years ended June 30, 2025 and 2024, in-kind donations were recorded for the following:

	2025	2024
Donated services	\$ 57,963	\$ 9,780
Donated auction items	75,621	73,155
	<u>\$ 133,584</u>	<u>\$ 82,935</u>

10. Board Designated Net Assets

A portion of the Center's unrestricted net assets is classified as board designated endowments. These endowments were created by the Board of Trustees and invested for the purpose of providing income to be used by the Center for its general operations. Although such funds are unrestricted, it is the Board's intent to use only a portion of the income generated from the investment of the funds for the ongoing operations. As of June 30, 2025 and 2024, funds totaling \$548,382 and \$535,957 represented such funds functioning as endowments.

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

11. Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2025 and 2024 represent the following:

	<u>2025</u>	<u>2024</u>
Time restricted:		
New building campaign	\$ 194,306	\$ 269,065
Purpose restrictions available for spending:		
Butterfly house	40,000	40,000
Exhibit hall	24,086	28,642
Gazebo	- 0 -	75,000
New building	2,853,180	2,500,855
Reforestation	10,000	- 0 -
Solar panels	5,000	5,000
	<u>3,126,572</u>	<u>2,918,562</u>
Endowments subject to the Center's spending policy and appropriation:		
The France-Merrick Education Fund	500,000	500,000
Earnings on France-Merrick Education Fund	<u>199,520</u>	<u>182,176</u>
Total France-Merrick Education Fund	699,520	682,176
Land and Trails Endowment Fund	2,210,975	2,210,975
Van Stewart Endowment	148,700	148,700
Beneficial interest in endowment fund	223,498	197,002
Earnings on donor-restricted funds	<u>1,381,264</u>	<u>1,280,987</u>
Total Endowment Funds	4,663,957	4,519,840
Land-restricted by use	<u>229,000</u>	<u>229,000</u>
	<u>\$ 8,019,529</u>	<u>\$ 7,667,402</u>

Net assets with donor restrictions were released during the years ended June 30, 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
Purpose Restricted:		
Herb garden	\$ - 0 -	\$ 1,742
Exhibit hall	4,556	- 0 -
Facilities	- 0 -	15,000
Gazebo	75,000	- 0 -
New building	<u>644,160</u>	<u>150,151</u>
	<u>\$ 723,716</u>	<u>\$ 166,893</u>

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

12. Endowments - Donor and Board Designated

The Center's endowment consists of various individual funds established for a variety of purposes. The endowment consists of donor-restricted endowment funds: The France-Merrick Education Fund; the Van Stewart Endowment; the Land and Trails Endowment Fund; and board-designated endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the board and donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the application of investments, (6) other resources of the Center, and (7) the investment policies of the organization.

Investment Return Objectives and Risk Parameters

The Center has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity, and board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to provide adequate liquidity, maximize returns on all funds invested and achieve a consistent inflation-protected rate of return. The Center has an active Investment Committee that meets regularly to ensure that the objectives of the investment policies are met, and that the strategies used to meet the objectives are in accordance with the investment policies. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

12. Endowments - Donor and Board Designated (continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Center relies on a total strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation that places a greater emphasis on equity-based and other investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

The Board of Trustees has adopted a spending policy calculated as 3.25 percent to 5 percent of the average market value of the Endowment Fund for the three previous fiscal year ends. Expenditures from the donor-restricted endowment fund are released from restriction in accordance with donor stipulations or as appropriated by the Board of Trustees. In establishing this policy, the Center considered the long-term expected return on its endowment investments. Accordingly, over the long-term, the Board of Trustees expects the current spending policy to allow its endowment to retain the original fair value of the gift. The amounts appropriated for distribution as of June 30, 2025 and 2024 was \$234,996 and \$267,500.

During the year ended June 30, 2020, the Board of Trustees appropriated \$282,937 from the board designated endowment to facilitate the purchase of land. The Board's intention is to restore funds to the board designated endowment as they are able.

Endowment Fund Deficiencies

The Center considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Center has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. For the years ended June 30, 2025 and 2024, the total amount of donor restricted gifts to be maintained in perpetuity totaled \$3,083,173 and \$3,056,677, respectively. There were no such deficiencies as of June 30, 2025 or 2024.

The endowment's net asset composition for the year ended June 30, 2025:

	Without Donor Restrictions	Donor- Restricted Funds	Total
Donor-Restricted Funds			
Land and Trails Endowment Fund	\$ - 0 -	\$ 2,210,975	\$ 2,210,975
The France-Merrick Education Fund	- 0 -	699,520	699,520
Van Stewart endowment	- 0 -	148,700	148,700
Earnings on donor-restricted funds	- 0 -	1,381,264	1,381,264
Beneficial interest in endowment fund	- 0 -	223,498	223,498
Board-designated funds	548,382	- 0 -	548,382
	<u>\$ 548,382</u>	<u>\$ 4,663,957</u>	<u>\$ 5,212,339</u>

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements
June 30, 2025 and 2024

12. Endowments - Donor and Board Designated (continued)

The endowment's net asset composition for the year ended June 30, 2024:

	<u>Without Donor Restrictions</u>	<u>Donor- Restricted Funds</u>	<u>Total</u>
Donor-restricted funds			
Land and Trails Endowment Fund	\$ - 0 -	\$ 2,210,975	\$ 2,210,975
The France-Merrick Education Fund	- 0 -	682,176	682,176
Van Stewart endowment	- 0 -	148,700	148,700
Earnings on donor-restricted funds	- 0 -	1,280,987	1,280,987
Beneficial interest in endowment fund	- 0 -	197,002	197,002
Board-designated funds	<u>535,957</u>	<u>- 0 -</u>	<u>535,957</u>
	<u>\$ 535,957</u>	<u>\$ 4,519,840</u>	<u>\$ 5,055,797</u>

Changes in endowment net assets for the fiscal year ended June 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets June 30, 2024	\$ 535,957	\$ 4,519,840	\$ 5,055,797
Investment return:			
Investment income	- 0 -	48,424	48,424
Net appreciation on investments	- 0 -	95,693	95,693
Total investment return	<u>- 0 -</u>	<u>144,117</u>	<u>144,117</u>
Contributions to endowment funds	- 0 -	- 0 -	- 0 -
Transfers from board-designated endowments to general unrestricted funds	12,425	- 0 -	12,425
Amounts appropriated for expenditure	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
Endowment net assets June 30, 2025	<u>\$ 548,382</u>	<u>\$ 4,663,957</u>	<u>\$ 5,212,339</u>

Changes in endowment net assets for the fiscal year ended June 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets June 30, 2023	\$ 543,435	\$ 4,159,334	\$ 4,702,769
Investment return:			
Investment income	- 0 -	57,992	57,992
Net appreciation of investments	- 0 -	302,514	302,514
Total investment return	<u>- 0 -</u>	<u>360,506</u>	<u>360,506</u>
Contributions to endowment funds	- 0 -	- 0 -	- 0 -
Transfers to board-designated endowments from general unrestricted funds	(7,478)	- 0 -	(7,478)
Amounts appropriated for expenditure	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
Endowment net assets June 30, 2024	<u>\$ 535,957</u>	<u>\$ 4,519,840</u>	<u>\$ 5,055,797</u>

IRVINE NATURAL SCIENCE CENTER, INC.

Notes to Financial Statements June 30, 2025 and 2024

13. Liquidity and Availability of Financial Assets

The following reflects the Center's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2025</u>	<u>2024</u>
Financial assets at year end	\$ 9,908,071	\$ 9,379,380
Less those unavailable for general expenditures within one year, due to:		
Promises to give not due within one year	44,089	142,999
Board designated net assets	548,382	535,957
Restricted by donors with a purpose or time restrictions	<u>7,790,529</u>	<u>7,438,402</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,525,071</u>	<u>\$ 1,262,022</u>

The Center maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of the Center's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically money market funds. Additionally, the Center has Board Designated net assets without donor restrictions that, while the Center does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

14. Pension Plan

The Center maintains a 403(b) Retirement Plan for its employees. Employees working at least 1,000 hours in one year are eligible to participate. Under the terms of the plan, employees are entitled to contribute a percentage of their total compensation, within limitations established by the Internal Revenue Code. Employees are fully vested upon enrollment. The Center will contribute a matching contribution amount of up to 3% of the employee's annual salary. The Center made contributions of \$18,714 and \$19,579 for the years ended June 30, 2025 and 2024, respectively.

15. Commitments

The Center has a contract for monthly elevator maintenance. The contract terms are for 5 years with automatic renewals for additional 5-year terms unless canceled by either party prior to the renewal. The current contract is in effect until March 2026 at an annual cost of \$3,540. The Center also has a contract for quarterly HVAC maintenance. The term is for 3 years at an annual cost of \$7,000 expiring in July 2024. This contract was renewed for another 3-year term at an annual cost of \$7,804 expiring July 2027. Expenses related to the maintenance contracts and reported as repairs and maintenance in the statements of functional expenses were \$14,171 and \$19,111 for the years ended June 30, 2025 and 2024, respectively.

IRVINE NATURAL SCIENCE CENTER, INC.

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15. Commitments (continued)

The Center entered into a contractual agreement with Constellation New Energy, Inc. for delivery of electricity at \$0.06398 per kilowatt hour from March 2022 through March 2027. The Center will be billed monthly for the electricity based on usage.

The future minimum payments for the commitments disclosed above are as follows for the years ending June 30:

2026	\$	10,459
2027		<u>7,804</u>
	\$	<u>18,263</u>

16. Contingencies

During the year ended June 30, 2025, the Center was party to a claim which management is vigorously defending. No accruals have been made for a loss contingency because the outcome and a reasonable estimate of any potential loss cannot be determined at this time.

17. Leasing Activities

The Center entered into a 36-month operating lease in March 2018 for a postage meter. Monthly payments of \$311 were due through March 2021. The lease was renewed in 2021 for the same term and cost. After the expiration of the extension in April 2024, the lease continued on a month-to-month basis. Postage meter expense relating to the lease and reported as equipment rental in the statements of functional expenses was \$4,977 and \$5,145 for the years ended June 30, 2025 and 2024.

The Center entered an operating lease for a copier effective July 2019. The lease called for minimum monthly payments of \$952, subject to escalation, for 36 months. This term ended July 2022. The lease may then renew for 12-month periods. Current monthly rental expense is \$1,408. Expenses related to this lease and reported as equipment rental in the statements of functional expenses was \$14,485 and \$16,900 for the year ended June 30, 2025 and 2024, respectively.

18. Concentrations of Credit and Market Risk

In the ordinary course of business, the Center's cash, cash equivalents, and investment balances may exceed the FDIC and SIPC insurance limits. The Center and its investment manager continually review credit concentrations as part of its asset and liability management.

The Center may invest in various types of marketable securities. Marketable securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain marketable securities, it is possible that changes in the values of these securities may occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

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19. Subsequent Events

The Center has evaluated events through February 24, 2026, the date the financial statements were available to be issued.