

**BSCS SCIENCE LEARNING**

**Financial Statements**

*For the Years Ended  
December 31, 2023 and 2022*

## INDEX TO FINANCIAL STATEMENTS

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
BSCS Science Learning

### **Opinion**

We have audited the accompanying financial statements of BSCS Science Learning (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BSCS Science Learning as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

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

### **Auditors' Responsibilities for the 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.

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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.

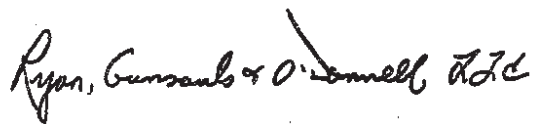
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 BSCS Science Learning'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 BSCS Science Learning'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.

### **Report on Summarized Comparative Information**

We have previously audited BSCS Science Learning's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Denver, Colorado  
May 31, 2024

**BSCS SCIENCE LEARNING**  
**Statements of Financial Position**  
**December 31, 2023 and 2022**

**ASSETS**

	<b><u>2023</u></b>	<b><u>2022</u></b>
Current assets:		
Cash and cash equivalents	\$ 312,596	\$ 293,604
Cash portion of investments	383,648	15,417
Cash portion of SLH Memorial Fund	48	160
Cash portion of investments - board-designated endowment	19,108	28,300
Accounts receivable	126,283	410,005
Grants receivable	1,083,700	1,449,938
Other receivable	1,435	982
Inventory	126,391	126,108
Prepaid expenses and deposits	91,859	96,128
<b>Total current assets</b>	<b><u>2,145,068</u></b>	<b><u>2,420,642</u></b>
<b>Land</b>	<b><u>82,300</u></b>	<b><u>82,300</u></b>
<b>Property and equipment, net</b>	<b><u>38,997</u></b>	<b><u>76,581</u></b>
Long-term assets:		
Investments, net of cash portion	-	587,401
Investments- SLH Memorial Fund, net of cash portion	8,254	12,287
Investments - board-designated endowment, net of cash portion	1,089,281	943,689
<b>Total non-current assets</b>	<b><u>1,097,535</u></b>	<b><u>1,543,377</u></b>
<b>Total assets</b>	<b>\$ <u>3,363,900</u></b>	<b>\$ <u>4,122,900</u></b>

**LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable	\$ 454,565	\$ 519,399
Accrued expenses	483,528	504,768
Line of credit	185,261	185,579
Deferred revenue	3,200	-
<b>Total current liabilities</b>	<b><u>1,126,554</u></b>	<b><u>1,209,746</u></b>
<b>Total liabilities</b>	<b><u>1,126,554</u></b>	<b><u>1,209,746</u></b>
Net assets:		
Without donor restrictions	1,318,191	1,882,034
With donor restrictions	919,155	1,031,120
<b>Total net assets</b>	<b><u>2,237,346</u></b>	<b><u>2,913,154</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>3,363,900</u></b>	<b>\$ <u>4,122,900</u></b>

*See accompanying independent auditors' report and notes to financial statements.*

**BSCS SCIENCE LEARNING**  
**Statements of Activities**  
**For the Year Ended December 31, 2023 With Summarized Comparative Totals for 2022**

	Without donor restrictions	With donor restrictions	2023 Total	2022 (Summarized)
<b>Contributions:</b>				
Federal grants:				
Grants from National Science Foundation	\$ 4,801,163	\$ -	\$ 4,801,163	\$ 4,502,521
Grants from Department of Education	1,885,088	-	1,885,088	1,787,602
Other federally funded grants and contracts	-	-	-	234,279
Foundation grants	1,715,540	1,034,543	2,750,083	2,606,873
Other grants and contributions	39,916	31,775	71,691	833,666
Total contributions	8,441,707	1,066,318	9,508,025	9,964,941
Total released from restrictions	1,178,283	(1,178,283)	-	-
Total contributions	9,619,990	(111,965)	9,508,025	9,964,941
<b>Revenues from contracts</b>				
Contract services	1,150,309	-	1,150,309	1,381,388
Royalty income	76,364	-	76,364	13,351
Other income	29,968	-	29,968	51,507
Workshop and consulting	26,105	-	26,105	3,210
Sales revenues, net	(2,871)	-	(2,871)	10,618
Total revenues from contracts	1,279,875	-	1,279,875	1,460,074
<b>Total revenues</b>	<b>10,899,865</b>	<b>(111,965)</b>	<b>10,787,900</b>	<b>11,425,015</b>
<b>Functional expenses:</b>				
<i>Program services:</i>				
Federally funded projects	5,013,036	-	5,013,036	5,216,837
Foundation funded projects	2,074,436	-	2,074,436	1,958,823
Other funded projects	948,981	-	948,981	986,894
Total program services	8,036,453	-	8,036,453	8,162,554
<i>Supporting services</i>				
General and administrative	3,500,624	-	3,500,624	2,924,792
Fundraising and development	69,503	-	69,503	17,174
Total supporting services	3,570,127	-	3,570,127	2,941,967
<b>Total expenses</b>	<b>11,606,580</b>	<b>-</b>	<b>11,606,580</b>	<b>11,104,521</b>
<b>Change in net assets from operating activities</b>	<b>(706,715)</b>	<b>(111,965)</b>	<b>(818,680)</b>	<b>320,494</b>
<b>Non-operating (expense) income:</b>				
Unrealized gain (loss) on investments	151,036	-	151,036	(751,594)
Interest income	37,402	-	37,402	32,340
Interest expense	(20,243)	-	(20,243)	(9,062)
Realized (loss) gain on investments	(25,323)	-	(25,323)	299,770
<b>Total other income (expense)</b>	<b>142,872</b>	<b>-</b>	<b>142,872</b>	<b>(428,546)</b>
<b>Change in net assets</b>	<b>(563,843)</b>	<b>(111,965)</b>	<b>(675,808)</b>	<b>(108,052)</b>
Net assets at beginning of year	1,882,034	1,031,120	2,913,154	3,021,206
<b>Net assets at end of year</b>	<b>\$ 1,318,191</b>	<b>\$ 919,155</b>	<b>\$ 2,237,346</b>	<b>\$ 2,913,154</b>

*See accompanying independent auditors' report and notes to financial statements.*

**BSCS SCIENCE LEARNING**  
**Statements of Functional Expenses**  
**For the Year Ended December 31, 2023 With Summarized Comparative Totals for 2022**

	<u>PROGRAM SERVICES</u>				<u>SUPPORT SERVICES</u>		<u>2023 Total</u>	<u>2022 Total</u>
	<u>Federally Funded Projects</u>	<u>Foundation Funded Projects</u>	<u>Other Funded Projects</u>	<u>Total program services</u>	<u>General and administrative</u>	<u>Fundraising and Development</u>		
Salaries and wages	\$ 1,723,959	\$ 876,189	\$ 465,049	\$ 3,065,197	\$ 2,151,851	\$ 37,214	\$ 5,254,262	\$ 5,007,199
Fringe	861,369	373,813	216,441	1,451,623	500,198	19,263	1,971,084	1,825,142
Consultants	745,453	607,059	49,056	1,401,568	199,197	-	1,600,765	1,541,316
Subcontract	1,026,515	-	-	1,026,515	-	-	1,026,515	1,128,815
Travel	157,716	97,878	124,538	380,132	100,539	79	480,750	348,829
Participant support	274,183	27,393	69,934	371,510	21,015	-	392,525	312,266
Materials and supplies	94,988	41,860	11,042	147,890	124,319	3,753	275,962	576,865
Insurance and taxes	-	-	489	489	92,827	-	93,316	85,093
Printing and production	45,575	19,168	5,692	70,435	6,126	2,820	79,381	72,511
Repairs and maintenance	149	-	-	149	64,142	-	64,291	45,933
Accounting and legal	-	-	337	337	58,290	-	58,627	72,646
Dues and subscriptions	24,920	5,398	2,721	33,039	19,038	486	52,563	46,733
Computer expense	5,258	17,174	391	22,823	27,709	-	50,532	47,259
Miscellaneous	36,621	-	46	36,667	396	1,750	38,813	53,057
Depreciation	-	-	-	-	37,584	-	37,584	50,542
Telephone	-	-	-	-	30,239	-	30,239	26,252
Postage and shipping	15,202	5,697	2,943	23,842	4,644	629	29,115	102,957
Utilities	-	-	-	-	23,490	-	23,490	30,278
Employee expense	-	-	-	-	20,631	1,075	21,706	24,322
Fees	-	62	302	364	12,043	2,434	14,841	22,536
Training and recruitment	973	45	-	1,018	4,152	-	5,170	41,849
Publicity and dissemination	155	2,700	-	2,855	-	-	2,855	6,925
Storage and warehouse fees	-	-	-	-	2,194	-	2,194	-
	<u>5,013,036</u>	<u>2,074,436</u>	<u>948,981</u>	<u>8,036,453</u>	<u>3,500,624</u>	<u>69,503</u>	<u>11,606,580</u>	<u>11,469,323</u>
<b>Less: expenses netted against revenue on statement of activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(364,802)</u>
<b>Total expenses</b>	<u>\$ 5,013,036</u>	<u>\$ 2,074,436</u>	<u>\$ 948,981</u>	<u>\$ 8,036,453</u>	<u>\$ 3,500,624</u>	<u>\$ 69,503</u>	<u>\$ 11,606,580</u>	<u>\$ 11,104,521</u>

*See accompanying independent auditors' report and notes to financial statements.*

**BSCS SCIENCE LEARNING**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Change in net assets	\$ (675,808)	\$ (108,052)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	37,584	50,542
Realized (gain) loss on investments	(151,036)	751,594
Unrealized loss (gain) on investments	25,323	(299,770)
Changes in operating assets and liabilities:		
Accounts receivable	283,722	791,989
Grants receivable	366,238	(1,107,649)
Other receivable	(453)	501
Inventory	(283)	(36,108)
Prepaid expenses and deposits	4,269	8,709
Accounts payable	(64,834)	(219,814)
Accrued expenses	(21,096)	(318,729)
Deferred revenue	3,200	-
<b>Net cash used in operating activities</b>	<b><u>(193,174)</u></b>	<b><u>(486,787)</u></b>
Cash flows from investing activities:		
Purchase of investments	(622,212)	(5,000)
Reinvestments	(37,402)	(32,342)
Proceeds of sale of investments	<u>872,242</u>	<u>679,388</u>
<b>Net cash provided by investing activities</b>	<b><u>212,628</u></b>	<b><u>642,046</u></b>
Cash flows from financing activities:		
Net change on line of credit	(318)	(113)
Principal payments on capital lease	-	(8,531)
Change in value of annuity payable	<u>(144)</u>	<u>(144)</u>
<b>Net cash used in investing activities</b>	<b><u>(462)</u></b>	<b><u>(8,788)</u></b>
<b>Change in cash and cash equivalents</b>	<b>18,992</b>	<b>146,471</b>
Total cash and cash equivalents, beginning of year	<u>293,604</u>	<u>147,133</u>
Total cash and cash equivalents, end of year	\$ <u><u>312,596</u></u>	\$ <u><u>293,604</u></u>
<b><u>Non-cash transactions:</u></b>		
Cash paid for interest	\$ <u><u>20,243</u></u>	\$ <u><u>9,062</u></u>

*See accompanying independent auditors' report and notes to financial statements.*



**BSCS SCIENCE LEARNING**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**Note 1: Nature of Operations**

BSCS Science Learning (BSCS) is a Colorado nonprofit Organization. Established in 1958 by a grant from the National Science Foundation to the education committee of the American Institute of Biological Sciences, it has been committed to interpreting the latest in scientific information for a variety of audiences, and to developing innovative curricula that allow students of all ages access to the best science education, providing professional development for educators and conducting research and evaluation in science education. BSCS seeks funds to design, develop, support, and evaluate new approaches to science teaching and learning for all grade levels.

**Note 2: Summary of Significant Accounting Policies**

This summary of significant accounting policies of BSCS is presented to assist in the understanding of BSCS's financial statements. The financial statements and notes are representations of BSCS's management, who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform with U.S. generally accepted accounting principles (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

**Basis of Presentation**

The financial statements have been prepared in accordance with U.S. GAAP, which required BSCS to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of BSCS. These net assets may be used at the discretion of BSCS's management and the board of directors.

*Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of BSCS or by passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Basis of Accounting**

BSCS's financial statements are prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. It is reasonably possible that the BSCS's estimates may change in the near term.

**BSCS SCIENCE LEARNING**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**Note 2: Summary of Significant Accounting Policies, continued**

Fair Value

The financial statements consist primarily of cash, cash equivalents, receivables, and payables. The amounts reported in the financial statements approximate fair values because of their short maturities.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, BSCS considers all demand deposit accounts and highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are amounts BSCS expects to collect from outstanding balances from contracts. Based on management's assessment of credit history with customers having outstanding balances and current relationships with them, management has concluded that realization losses on balances at year-end will be immaterial. Therefore, no allowance for uncollectible accounts is considered necessary. Total accounts receivable from contracted services were \$126,283 and \$410,005 for years ended December 31, 2023 and 2022, respectively.

Grants Receivable

Grants receivable from grants and contracts include obligations from customers who pay for services rendered. Individual governmental and private grant arrangements that are evaluated and determined whether they are nonreciprocal, meaning the granting entity has not received a direct benefit of commensurate value in exchange of resources provided. Instead, revenues are recognized like a conditional contribution, when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met. Total grants receivable were \$1,083,700 and \$1,449,938 as of December 31, 2023 and 2022, respectively.

Inventory

Inventory is stated at the lower value of cost (first-in, first-out method) or net realizable value. The elements in costs of inventory include primarily classroom supplies and various kits for classroom instruction and experiments. Inventory is counted monthly and evaluated annually for obsolescence.

Long-lived Assets

BSCS reviews indefinite lived assets for impairment annually, and whenever market or business events indicate there may be a potential impact on that asset. If management determines that impairment has occurred, a loss is recognized based on the difference between the assets' carrying values over the estimated fair values. BSCS had no impairment of assets for the years ended December 31, 2023 and 2022.

**BSCS SCIENCE LEARNING**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**Note 2: Summary of Significant Accounting Policies, continued**

Land, Property and Equipment

It is BSCS's policy to capitalized property and equipment over \$5,000. Lesser amounts are expensed. Land, property and equipment are carried at cost if purchased; or at fair market value on the date received, if donated. Depreciation of property and equipment is depreciated on a straight-line basis over the useful life of the assets of 30 years for the building and 3 to 5 years for other property and equipment. Depreciation expense for the years ended December 31, 2023 and 2022 was \$37,584 and \$50,542, respectively.

Investments

Investments are carried at fair value determined by quoted prices on the last business day of the fiscal year. Donated investments are recorded at fair value at the date of receipt. Investment income may be either without donor restrictions or with donor restriction when earned.

Public Support and Contributions

The primary sources of revenue for BSCS are contracts from federal agencies and foundations. These sources of contributed income are reported as increases in net assets without donor restrictions unless use of related assets is limited by donor-imposed restrictions.

Grants and Contracts

Grants and contract revenue result from agreements, typically with government agencies, corporations, educational institutions, or foundations, that fund specific activities at BSCS. The grants and contracts are of two primary types: conditional contributions and contracts with customers. An agreement is a conditional contribution if its primary purpose is to enable BSCS to provide a service to, or conduct research for, science education or the general public rather than to serve the direct needs of the granting or contracting party. In other words, the agreement is a conditional contribution if any benefit to the granting or contracting party is indirect and insubstantial as compared to the public benefit. In contrast, if the grant or contract provides a benefit directly to the granting or contracting party, the agreement is a contract with a customer.

Public support and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled, (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the support is reported as net assets without donor restrictions.

Revenue Recognition

In accordance with ASC Sub-Topic 958-605, *Revenue Recognition*, BSCS must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of release or a promise to transfer assets exist. Indicators of a barrier include a measurable performance-related barrier or other measurable barrier, a

**BSCS SCIENCE LEARNING**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**Note 2: Summary of Significant Accounting Policies, continued**

Revenue Recognition, continued

stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of an agreement. Topic 958 prescribes that BSCS should not consider probability of compliance with the barrier when determining if such contributions are conditional and should be reported as conditional contribution liabilities until such conditions are met. At December 31, 2023 and 2022, BSCS did not have any conditional contribution liability.

Endowment Fund Income

Income from the endowment fund is to be used for general operations, unless otherwise designated by donor or board restrictions.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of BSCS. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, supplies, repairs and maintenance, professional fees, depreciation and other operating expenses, which are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services or use of supplies.

Income Taxes

BSCS is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and classified as other than a private foundation. BSCS is, however, subject to income tax on any unrelated business income. As of December 31, 2023 and 2022, no unrelated business income was earned by BSCS.

BSCS has adopted the provisions of *Income Taxes*. In determining the recognition of uncertain tax positions, BSCS applies a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with taxing authorities. BSCS analyzed its positions taken on their Federal tax returns for the open tax years 2020 through 2022. Based on their analysis, BSCS determined that there were no uncertain tax positions and that BSCS should prevail upon examination by the taxing authorities.

New Adopted Accounting Principle

In February 2016, FASB issued ASU No. 2016-02, *Leases* (Topic 842). FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. BSCS adopted FASB ASC 842, with a date of initial application of January 1, 2022, by applying the modified retrospective transition approach and using additional (and optional) transition method provided by ASU No. 2018-11, *Leases* (Topic 842): Targeted Improvements. BSCS did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2022, was necessary for the cumulative impact of adoption of FASB ASC 842. The most significant effects of adopting FASB ASC 842 was the recognition of

**BSCS SCIENCE LEARNING**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**Note 2: Summary of Significant Accounting Policies, continued**

New Adopted Accounting Principle, continued

operating lease right-of-use (ROU) assets and of current and long-term operating lease liabilities on the balance sheet as of January 1, 2022, if applicable. No cumulative effect adjustment to net assets as of January 1, 2022 was necessary. FASB ASC 842 did not have a significant effect on the results of operations or cash flows for the year ended December 31, 2022. As part of the transition, BSCS implemented new internal controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients:

Package of practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases.
- Election not to reassess the lease classification for any expired or existing leases.
- Election not to reassess initial direct costs on any existing leases

Comparative Financial Data

The financial statements include certain prior year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with BSCS's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

**Note 3: Availability and Liquidity**

The following represents BSCS's financial assets at December 31:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 312,596	\$ 293,604
Accounts receivable	126,283	410,005
Grants receivable	1,083,700	1,449,938
Other receivables	1,435	982
Investments	<u>1,500,339</u>	<u>1,587,254</u>
Total financial assets	3,024,353	3,741,783
Less amounts unavailable for general expenditures within one year, due to:		
Investments	<u>1,500,339</u>	<u>1,587,254</u>
Total financial assets available to management to meet needs for general expenditures within one year	<u>\$ 1,524,014</u>	<u>\$ 2,154,529</u>

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**Note 3: Availability and Liquidity, continued**

BSCS has grant and contract funding commitments to meet most expenses. BSCS seeks donations and other contributions to cover other general expenditures. BSCS regularly monitors liquidity necessary to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. BSCS has a line of credit which can be used as necessary for liquidity.

**Note 4: Cash Exposure**

BSCS maintains its cash balances at a financial institution which at times may exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000 per institution per account holder. As of December 31, 2023 and 2022, there were funds deposited that were in excess of what would have been covered by federal insurance in the amount of \$241,463 and \$111,801, respectively. BSCS has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

**Note 5: Property and Equipment**

Property and equipment consist of the following at:

	<u>2023</u>	<u>2022</u>
Building and improvements	\$ 1,254,520	\$ 1,254,520
Furniture and equipment	<u>237,681</u>	<u>237,681</u>
	1,492,201	1,492,201
Less: accumulated depreciation	<u>(1,453,204)</u>	<u>(1,415,620)</u>
<b>Total property and equipment, net</b>	<u>\$ 38,997</u>	<u>\$ 76,581</u>

**Note 6: Investments and Fair Value Measurements**

BSCS adopted the guidance for *Fair Value Measurements*. The guidance defines fair values, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements. Under the guidance, assets and liabilities are grouped in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobserved assumptions reflect the Association’s own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

There have been no changes in the methodologies used at December 31, 2023 and 2022. The Level 2 investments of BSCS are not publicly traded but are based on quoted prices. The methods

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**Note 6: Investments and Fair Value Measurements, continued**

described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while BSCS 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 a different fair value measurement at the reporting date. The following tables set forth by level, within the fair value hierarchy.

BSCS's assets at fair value as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 402,804	\$ -	\$ -	\$ 402,804
Equity funds	772,036	-	-	772,036
Fixed income	306,089	-	-	306,089
Alternative assets	<u>-</u>	<u>19,410</u>	<u>-</u>	<u>19,410</u>
Total assets at fair value	\$ <u>1,480,929</u>	\$ <u>19,410</u>	\$ <u>-</u>	\$ <u>1,500,339</u>

BSCS's assets at fair value as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 43,877	\$ -	\$ -	\$ 43,877
Equity funds	1,257,564	-	-	1,257,564
Fixed income	271,301	-	-	271,301
Alternative assets	<u>-</u>	<u>14,512</u>	<u>-</u>	<u>14,512</u>
Total assets at fair value	\$ <u>1,572,742</u>	\$ <u>14,512</u>	\$ <u>-</u>	\$ <u>1,587,254</u>

**Note 7: Board-Designated Endowment**

BSCS's endowment includes funds designated by the Board of Directors to function as quasi-endowment. As required by U.S GAAP, net assets with an internal designation are classified as net assets without donor restrictions. These funds are invested in stocks, mutual funds, and cash equivalents, pursuant to BSCS's spending objectives of subjecting the fund to low investment risk and providing support for programs.

BSCS seeks to invest its portfolio and funds with the intent of outpacing the rate of inflation. It will pursue this primarily by employing appropriate asset allocation strategies for its funds, based on time horizon, cash flow expectation, and risk tolerance. For its endowments, BSCS seeks a growth with an income objective from a diversification of investments in U.S. and international equity funds as well as fixed income.

	<u>Board designated</u>	<u>Perpetually restricted</u>	<u>Total</u>
<b>Balance, December 31, 2022</b>	\$ -	\$ 971,989	\$ 971,989
Investment income	<u>108,389</u>	<u>28,011</u>	<u>136,400</u>
<b>Balance, December 31, 2023</b>	\$ <u>108,389</u>	\$ <u>1,000,000</u>	\$ <u>1,108,389</u>

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**Note 7: Board-Designated Endowment, continued**

	<u>Board designated</u>	<u>Perpetually restricted</u>	<u>Total</u>
<b>Balance, December 31, 2021</b>	\$ 275,600	\$ 1,000,000	\$ 1,275,600
Investment loss	(29,483)	(28,011)	(57,494)
Appropriation of assets, per policy	<u>(246,117)</u>	<u>-</u>	<u>(246,117)</u>
<b>Balance, December 31, 2022</b>	<u>\$ -</u>	<u>\$ 971,989</u>	<u>\$ 971,989</u>

**Note 8: Line of Credit**

BSCS has a revolving line of credit for \$200,000 with a financial institution, which is secured by its building. The interest rate on the outstanding balance is a variable rate relative to the bank's prime interest rate (8.50% at December 31, 2023 and 7.50% at December 31, 2022). The amount outstanding at December 31, 2023 and 2022 was \$185,261 and \$185,579, respectively.

**Note 9: Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for the following purposes at December 31:

	<u>2023</u>	<u>2022</u>
Programs for education and educators	\$ 912,478	\$ 1,018,673
SLH memorial fund	<u>6,677</u>	<u>12,447</u>
Total net assets with donor restrictions	<u>\$ 919,155</u>	<u>\$ 1,031,120</u>

**Note 10: Charitable Gift Annuity**

In November of 1997, BSCS entered into a charitable gift annuity agreement in the amount of \$10,000. As part of this agreement, BSCS has agreed to pay \$700 per year to the donor's daughter. As of December 31, 2023 and 2022, BSCS has recorded \$2,467 and \$2,606, respectively as an annuity payable included in accrued expenses on the statement of financial position.

**Note 11: Recognition of Revenue from Contracts**

BSCS recognizes revenue in accordance with U.S. GAAP, when all of the following conditions are satisfied:

- There is persuasive evidence that an arrangement exists;
- The product has been delivered or the services performed;
- The amount of fees to be paid by members and customers are fixed or determinable;
- The collection of fees is reasonably assured.

BSCS recognizes revenues based upon the satisfaction of the performance of services as determined in contracts with members and program participants. Determining whether and when these criteria have been satisfied involves exercising judgment and using estimates and assumptions that can have a significant impact on the timing and amount of revenue that BSCS recognizes.

BSCS derives revenues from workshop and consulting income, contract income for professional development and training in science areas, and royalty income. A single contract could



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**Note 11: Recognition of Revenue from Contracts, continued**

have one or multiple performance obligations. For those contracts that have multiple performance obligations, if any, BSCS allocates the total transaction price to each performance obligation based on the relative standalone selling price, which is determined by BSCS's pricing objectives, taking into consideration market conditions and other factors.

Revenues are recognized when control of goods and services provided to the customer is in an amount that reflects the consideration BSCS expects to be entitled to in an exchange for those goods and services using the following steps: 1) identify the contract, 2) identify the performance obligation, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations in the contract, and 5) recognize revenue as to when BSCS satisfies the performance obligation.

There are no variable considerations in contracts as there are no discounts, financial assistance, or refunds. For the years ended December 31, 2023 and 2022, BSCS received total revenues from contracts of \$1,279,875 and \$1,460,074, respectively. As of December 31, 2023 and 2022, BSCS had no remaining performance obligations under contracts entered during the year. Actual revenue recognition could differ from these amounts as a result of adjustments or other factors. Receivable balances from contracts with customers for the years ended December 31, 2023 and 2022, were as follows:

**Receivables**

	<u>2023</u>	<u>2022</u>
Beginning of year	\$ 410,005	\$1,201,994
End of year	\$ 126,283	\$ 410,005

**Note 12: Retirement Plans**

BSCS has adopted a 401(k) as of January 1, 2022, that covers substantially all employees who complete one year of employment with at least 1,000 hours of service and have reached 21 years old. Employees may elect to contribute a portion of their compensation as defined by the plan. Employees are 100% vested immediately. BSCS may make discretionary matching and profit sharing contributions to the plan of qualified employees. For the years ended December 31, 2023 and 2022, BSCS made nonelective contributions in the amount of \$380,526 and \$366,328, respectively.

**Note 13: Operating Leases**

BSCS has operating lease agreements for three copiers. BSCS assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense recognized in operating expense was \$66,606 and \$48,576 for the years ended December 31, 2023 and 2022, respectively.

**Note 14: Capital Lease**

Equipment under a capital lease consists of HVAC rooftop units with a cost of \$65,603, accumulated depreciation of \$26,606 and \$22,232 as of December 31, 2023 and 2022, with a net

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**Note 14: Capital Lease, continued**

value of \$38,997 and \$43,371, respectively, included in property and equipment as of December 31, 2023 and 2022. The lease includes a \$1 purchase option at the end of the lease period. The lease ended in 2022 and the rooftop units reverted to BSCS at a value of \$65,603. There is no longer a capital lease in effect for the rooftop units.

**Note 15: Concentrations**

BSCS has certain concentrations in specific revenue categories; these concentrations represent 10% or more of total revenues. If a significant reduction in the level of these revenue sources occurs, it may have an effect on the BSCS's program and activities. BSCS receives a significant portion of its revenue and support from various grants and contract services. BSCS had the following concentrations for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Grants from National Science Foundation (45% and 39%)	\$ 4,801,163	\$ 4,502,521
Foundation grants (25% and 23%)	2,750,083	2,606,873
Grants from Department of Education (17% and 16%)	1,885,088	1,787,602
Contract services (11% and 12%)	1,150,309	1,381,388

**Note 16: Subsequent Events**

BSCS has evaluated subsequent events and transactions for potential recognition or disclosure through the date at which the financial statements were available to be issued, which is the date of the independent auditors' report, and noted no subsequent events that requires disclosure.