The Fund for American Studies and Affiliate

Consolidated Financial Statements and Independent Auditor's Report

August 31, 2025
(With August 31, 2024 Summarized Comparative Financial Information)

CohnReznick

The Fund for American Studies and Affiliate

Index

Independent Auditor's Report

To the Board of Trustees
The Fund for American Studies
Washington, D.C.

Opinion

We have audited the consolidated financial statements of The Fund for American Studies and Affiliate (the "Fund"), which comprise the consolidated statement of financial position as of August 31, 2025, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Fund for American Studies and Affiliate as of August 31, 2025, and the changes in their net assets and their 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 ("GAAS"); Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of The Fund 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Fund'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Fund'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 The Fund's August 31, 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 24, 2025. In our opinion, the summarized consolidated information presented herein as of and for the year ended August 31, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

CohnReznick LLP

Bethesda, Maryland
March 13, 2026

The Fund for American Studies and Affiliate

Consolidated Statement of Financial Position
August 31, 2025
(with Summarized Comparative Information for August 31, 2024)

Assets

	2025	2024
Cash and cash equivalents	$ 404,146	$ 473,396
Restricted cash	32,727	32,727
Accounts receivable	360,718	1,253,020
Pledges receivable, net	5,071,665	6,494,299
Prepaid expenses	186,652	262,462
Property and equipment, net	922,387	1,022,260
Investments	18,719,168	17,096,421
Deposits	250,000	250,000
Other assets	1,165,741	1,217,171
Right-of-use asset, operating lease	232,812	296,646
Remainder interests	284,920	274,654
Total assets	$ 27,630,936	$ 28,673,056

Liabilities and Net Assets

	2025	2024
Liabilities		
Accounts payable and accrued expenses	$ 2,010,516	$ 1,710,460
Deferred revenue	14,050	20,809
Line of credit	1,920,000	1,920,000
Operating lease liability	246,990	310,203
Annuities payable	1,002,356	1,052,486
Total liabilities	5,193,912	5,013,958
Commitments and contingencies		
Net assets		
Without donor restrictions	8,466,593	9,889,063
With donor restrictions	13,970,431	13,770,035
Total net assets	22,437,024	23,659,098
	$ 27,630,936	$ 28,673,056

See Notes to Consolidated Financial Statements.

The Fund for American Studies and Affiliate

Consolidated Statement of Activities and Change in Net Assets
Year Ended August 31, 2025
(with Summarized Comparative Information for the Year Ended August 31, 2024)

	2025			
	Without donor restrictions	With donor restrictions	Total	2024
Revenue and support				
Tuition, registration, housing and other fees, net of scholarships of $1,782,819 in 2025 and $1,757,250 in 2024, respectively	$ 4,212,050	$ -	$ 4,212,050	$ 3,621,547
Contributions	4,421,637	4,141,993	8,563,630	13,390,568
Conference income	15,069	-	15,069	143,448
Other income	186,603	-	186,603	1,274,182
Net assets released from restrictions	4,886,305	(4,886,305)	-	-
Total revenue and support	13,721,664	(744,312)	12,977,352	18,429,745
Expenses				
Program services				
Graduate and professional programs	2,876,283	-	2,876,283	2,466,510
Undergraduate programs	5,262,813	-	5,262,813	5,015,983
High school programs	4,358,060	-	4,358,060	4,140,575
Other programs	627,639	-	627,639	362,227
Total program services	13,124,795	-	13,124,795	11,985,295
Supporting services				
General and administrative	773,829	-	773,829	987,037
Fundraising	2,249,364	-	2,249,364	2,359,950
Total supporting services	3,023,193	-	3,023,193	3,346,987
Total expenses	16,147,988	-	16,147,988	15,332,282
Change in net assets before investment income	(2,426,324)	(744,312)	(3,170,636)	3,097,463
Investment income	1,003,854	944,708	1,948,562	2,555,835
Change in net assets	(1,422,470)	200,396	(1,222,074)	5,653,298
Net assets, beginning of year	9,889,063	13,770,035	23,659,098	18,005,800
Net assets, end of year	$ 8,466,593	$ 13,970,431	$ 22,437,024	$ 23,659,098

See Notes to Consolidated Financial Statements.

The Fund for American Studies and Affiliate

Consolidated Statement of Functional Expenses
Year Ended August 31, 2025
(with Summarized Comparative Information for the Year Ended August 31, 2024)

	Program services					Supporting services			
	Graduate and professional programs	Undergraduate programs	High school programs	Other programs	Program services	General and administrative	Fundraising	Total	2024 Total
Salaries, payroll taxes and benefits	$ 1,170,586	$ 1,567,122	$ 1,021,307	$ 210,284	$ 3,969,299	$ 619,084	$ 1,410,985	$ 5,999,368	$ 5,745,852
Faculty salaries and guest lecturers	21,182	128,437	711,407	-	861,026	-	-	861,026	838,115
Events	24,877	193,846	4,631	-	223,354	2,243	2,534	228,131	259,064
Student housing and campus costs	88,753	1,177,535	1,653,208	-	2,919,496	-	-	2,919,496	2,587,717
Student recruitment	22,535	92,756	157,557	-	272,848	1,877	2,000	276,725	281,957
Bank and credit card fees	20,465	99,308	14,951	-	134,724	7,476	7,475	149,675	128,546
University overhead	71,514	533,102	-	-	604,616	-	-	604,616	544,945
Depreciation and amortization	23,838	115,520	17,420	-	156,778	8,709	8,710	174,197	182,478
Professional fees	55,836	270,589	55,803	-	382,228	20,402	226,404	629,034	515,895
Meetings and conferences	647,807	199,766	27,411	416,558	1,291,542	13,660	17,829	1,323,031	1,075,837
Travel	105,890	195,527	271,951	753	574,121	2,641	79,256	656,018	619,471
Student meals	12,681	6,072	-	-	18,753	-	-	18,753	10,378
Books, curriculum and program materials	1,509	(342)	187,877	-	189,044	(54)	(4)	188,986	207,014
Facility costs	13,943	67,569	103,246	-	184,758	5,094	5,095	194,947	260,569
Interest expense	4,919	23,839	3,595	-	32,353	1,797	1,797	35,947	35,425
Printing and publications	11,766	53,600	7,656	-	73,022	3,313	24,809	101,144	57,974
Telephone	3,149	15,259	2,301	-	20,709	1,150	1,151	23,010	21,039
Equipment and software	78,565	327,675	56,743	-	462,983	22,358	34,934	520,275	661,768
Postage	2,325	7,841	1,416	-	11,582	592	664	12,838	6,277
Internet access and web pages	2,912	14,112	2,128	-	19,152	4,006	1,064	24,222	35,036
Photography	2,718	10,426	890	-	14,034	444	623	15,101	15,171
Supplies	3,287	11,709	1,782	44	16,822	734	1,046	18,602	15,977
Marketing and sponsorships	29,270	133,748	32,324	-	195,342	15,015	157,552	367,909	435,516
Shipping and delivery	2,630	12,805	21,703	-	37,138	961	1,165	39,264	29,680
Novak Fellowship grants	200,000	-	-	-	200,000	-	-	200,000	215,000
Novak Fellowship grant expense accounts	16,868	-	-	-	16,868	-	-	16,868	20,534
Direct mail campaign	-	-	-	-	-	-	252,475	252,475	368,737
Grants	235,428	-	-	-	235,428	2,500	-	237,928	141,506
Other	1,030	4,992	753	-	6,775	39,827	11,800	58,402	14,804
Total expenses	$ 2,876,283	$ 5,262,813	$ 4,358,060	$ 627,639	$ 13,124,795	$ 773,829	$ 2,249,364	$ 16,147,988	$ 15,332,282

See Notes to Consolidated Financial Statements.

The Fund for American Studies and Affiliate

Consolidated Statement of Cash Flows
Year Ended August 31, 2025
(with Summarized Comparative Information for the Year Ended August 31, 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	$ (1,222,074)	$ 5,653,298
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	174,197	182,478
Amortization of right-of-use asset operating lease	63,834	41,256
Net realized and unrealized gain on investments	(1,358,870)	(2,011,994)
Bad debt expense (recovery)	2,500	(30,409)
Change in discount on pledges receivable	(102,698)	90,291
Annuities payable	19,463	18,833
Remainder interests	(10,266)	(25,249)
Changes in		
Accounts receivable	892,302	(915,844)
Pledges receivable, net	1,522,832	(3,833,670)
Prepaid expenses	75,810	28,780
Accounts payable and accrued expenses	300,056	667,755
Operating lease liability	(63,213)	(27,699)
Deferred revenue	(6,759)	9,865
Net cash provided by (used in) operating activities	287,114	(152,309)
Cash flows from investing activities		
Purchases of property and equipment	(22,894)	(72,604)
Proceeds from sales of investments	5,064,761	7,758,893
Purchases of investments	(5,328,638)	(7,528,873)
Net cash (used in) provided by investing activities	(286,771)	157,416
Cash flows from financing activities		
Payments made on annuities payable	(69,593)	(69,593)
Net cash used in financing activities	(69,593)	(69,593)
Net decrease in cash, cash equivalents and restricted cash	(69,250)	(64,486)
Cash, cash equivalents and restricted cash, beginning of year	506,123	570,609
Cash, cash equivalents and restricted cash, end of year	$ 436,873	$ 506,123
Supplemental cash flow information		
Cash paid for interest	$ 35,947	$ 35,425
Right-of-use asset acquired through new operating lease	$ -	$ 337,902

See Notes to Consolidated Financial Statements.

Note 1 - Nature of activities

The Fund for American Studies and Affiliate (the "Fund") is comprised of two entities: The Fund for American Studies ("TFAS") and Foundation for Teaching Economics ("FTE"). TFAS was originally incorporated in the District of Columbia on February 6, 1967, as the Charles Edison Youth Fund. The Fund currently operates educational programs for selected college students, law students, and young professionals from all parts of the country and around the world. These programs include Washington, DC-based Academic Internship Programs for undergraduate students each summer, fall and spring, including tracks in International Affairs, Journalism and Communications, Public Policy and Economics, Business and Government Affairs, and Leadership and the American Presidency. In addition, TFAS hosts international academic programs for current university students and young professionals from around the world held outside of the United States. FTE was organized in California for the purpose of introducing high school students, selected for their leadership potential, to an economic way of thinking about national and international issues and to promote excellence in economic education by helping teachers of economics become more effective educators. As a matter of principle, neither TFAS nor FTE accepts or participates in any government funding, as TFAS and FTE believe maintaining that independence is key to the organization's mission and an important component of its educational programming.

Note 2 - Summary of significant accounting policies

Basis of accounting

The consolidated financial statements have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned, unconditional support is recognized when received and expenses are recognized when incurred.

Basis of consolidation

The accompanying consolidated financial statements include the accounts of TFAS and FTE. All significant intercompany accounts and transactions between the organizations have been eliminated for consolidation.

Cash and cash equivalents

The Fund considers all short-term money market accounts to be cash equivalents. All cash and investments, regardless of maturity, held by the investment advisor are considered investments.

Restricted cash consists of an escrow account held related to a charitable gift annuity.

Cash, cash equivalents and restricted cash on the statement of cash flows for the year ended August 31, 2025 is comprised of:

Cash and cash equivalents	$ 404,146
Restricted cash	32,727
Total cash, cash equivalents and restricted cash shown in the consolidated statement of cash flows	$ 436,873

Investments

Investments are recorded at fair value. Accordingly, unrealized gains and losses, due to market fluctuations during the year, are recognized at year-end. Realized gains or losses are recognized upon sale or disposal. Donated investments are reflected as contributions at their fair values at date of receipt. It is reasonably possible that changes in interest rate and market risk in the near term could result in a change in fair value of investment balances, which could be material.

Accounts receivable

The Fund records receivables at cost, less an allowance for credit losses as determined by management. The allowance is provided based on a review of the estimated collectability of the specific accounts, plus a general provision based on historical loss experience, existing economic conditions and the credit losses expected to arise over the life of the receivable. Uncollectible amounts are charged off against the allowance for credit losses once management determines an account, or a portion thereof, to be worthless. At August 31, 2025, management believes all accounts receivable to be fully collectible, and, as such, no allowance for doubtful accounts has been provided for in these consolidated financial statements.

Pledges receivable

Pledges receivable are recognized as revenue in the period the promise is made. Conditional pledges receivable are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Pledges receivable are carried at the original amount promised less an estimate made for doubtful pledges based on a review of all outstanding pledges on a monthly basis. Pledges receivable include bequests from estates, and the timing and amounts to be received depend on the liquidation of the estates. Management determines the allowance for doubtful pledges by regularly evaluating individual promises to give and considering prior history of donors and proven collectability of past donations. Pledges are written off when deemed uncollectible. Recoveries of pledges previously written off are recorded when received. Based on managements evaluation of the collectability of the pledges receivable, there is no allowance for doubtful accounts at August 31, 2025.

Pledges receivable expected to be collected beyond one year are reflected at the net present value of their estimated future cash flows using a risk-adjusted interest rate. Amortization of the discount on pledges receivable is reflected as contribution revenue.

Property and equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally 3 to 31 years. Property and equipment also includes website costs, are amortized over an estimated useful life of five years. The Fund capitalizes all expenditures for property and equipment in excess of $5,000 with an estimated useful life of greater than one year.

Other assets

Other assets represent condominium units received under a charitable gift annuity agreement. The asset was recorded at its appraised value at the time of donation and is being depreciated over an estimated useful life of 27.5 years. As of August 31, 2025, the cost of the asset is $1,414,319 with accumulated depreciation of $248,578. For the year ended August 31, 2025, depreciation expense was $51,430.

Leases
The Fund determines if an arrangement contains a lease at inception based on whether the lessee has the right to control the asset during the contract period and other facts and circumstances. The Fund has determined that its signed agreement for FTE office space fits this criteria. Accordingly, a right-of-use asset and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term of the lease exceeds twelve months, using an appropriate discount rate. As the rate implicit in the lease is generally not readily determinable, the Fund has elected to use the risk-free rate on the lease commencement date as the discount rate. The operating obligations are reduced as cash payments are made under the terms of the leases. Interest is charged to occupancy expense for the difference. The lease right-of-use asset is amortized over the lease term and reflected as facility costs on the accompanying statement of functional expenses, as applicable, for the difference in the accompanying consolidated financial statements. Lease expense is recognized on a straight-line basis over the term of the leases. Unless the Fund determines that it is reasonably certain that the term of a lease will be terminated early or extended through a renewal option, the term of a lease spans for the duration of the minimum non-cancellable contractual term. There are no residual value guarantees.

Remainder interests
TFAS has entered into charitable remainder trust agreements. Upon the death of the donor, remaining trust assets will be distributed to TFAS. Remainder interests are classified as net assets with donor restrictions and are stated at the net present value of future distributions expected to be received, based upon the life expectancy of the donor, fair value of the trust assets and a discount rate of 7.25 percent.

Valuation of long-lived assets
Long-lived assets, consist of certain property and equipment, which are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. During the year ended August 31, 2025, there were no triggering events that indicated an impairment of any long-lived assets.

Net assets
Net assets without donor restrictions:

> Net assets without donor restrictions are net assets that are not restricted by donor stipulations for a time or purpose restriction.

TFAS segregates its net assets without donor restrictions into the following fund categories:

> **Undesignated** - Represents the net assets that are not earmarked by the Board of Trustees or restricted by donors for time or purpose restrictions.

> **Board-designated endowment funds** - Represents net assets that the Board of Trustees has earmarked for specific purposes. There were no Board-designated endowment funds at August 31, 2025.

Net assets with donor restrictions:

Net assets with donor restrictions result from contributions and bequests, investment income earned on restricted contributions, and investment income earned and appropriated from endowments. Use of net assets with donor restrictions is limited by donor-imposed purposes or time restrictions that have not yet been fulfilled by actions of the Fund pursuant to these stipulations or by the passage of time.

Net assets with donor restrictions also result from contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Fund's actions. The donors of these assets permit the Fund to use the income and gains earned on related investments for operations or for specific purposes stipulated by the donors.

Revenue recognition

The Fund recognizes revenue through the following five-step model (1) identification of the contract with a customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when a performance obligation is met. The Fund does not disclose information about remaining performance obligations that have original expected durations of one year or less.

The Fund recognizes revenue from student tuition, registrations, housing and other fees during the year in which the related services are provided to students. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course when the respective program is held. Contracts for tuition, room, and board are combined into a single portfolio of similar contracts. Payment for tuition and housing is required before the start of the program. All amounts received prior to the commencement of the program, including enrollment deposits, are deferred to the applicable period. Scholarships provided to students are recorded as a reduction from the posted tuition. Amounts received in advance of the programs are recorded as deferred revenue. Accounts receivable at September 1, 2024 and August 31, 2025 was $1,253,020 and $360,718, respectively. Deferred income at September 1, 2024 and August 31, 2025 was $20,809 and $14,050, respectively.

Contributions are classified as either conditional or unconditional. Unconditional contributions, including unconditional promises to give are recognized at fair value when the commitment to contribute is received and are reported as without donor restrictions revenue and support unless specifically restricted by the donor or by law. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as revenue and support with donor restrictions. Revenue is recognized on a conditional contribution after the Fund overcomes a barrier or hurdle to be entitled to the resource, and the resource provider no longer has the right of return.

Income from investments is recognized as earned. Investment income includes interest, dividends and realized gains and losses on investment transactions. Since all investments are carried at fair value, the net change in the fair value of investments is recognized as an unrealized gain or loss on investments.

Annuities payable

Annuities payable include obligations to pay a life annuity to the donor or designated beneficiary, or other benefit, such as donor or beneficiary use of property when the irrevocable gift involves real estate. The contributed assets and the annuitant liabilities immediately become part of the general assets and liabilities of the Fund, subject to the Fund maintaining an actuarial reserve in accordance with District of Columbia law.

The Fund initially values deferred gifts of cash at face value, those of equities at market value and gifts of property at their appraised value; annuity values are then actuarially discounted. Published Internal Revenue Service discount rates are employed to determine the net present value of both contributions and liabilities pertaining to these deferred giving arrangements.

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but that provide for the overall support and direction of the Fund.

Salaries and benefits are allocated based on the level of effort. Student recruitment and other student program event costs are allocated to programs based on enrollment. All general overhead costs, including utilities, postage, printing, depreciation and travel, are allocated to programs based on program enrollment with a portion allocated to general and administrative and fundraising functions.

Estimates

Management uses estimates and assumptions in preparing these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Income taxes

TFAS and FTE are exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. The Fund believes it has appropriate support for any tax position taken and, as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Fund recognizes interest expense and penalties related to unrecognized tax positions in accounts payable and accrued expenses and other expenses on the consolidated financial statements. The Fund reported no penalties and interest related to unrecognized tax positions for the year ended August 31, 2025. Tax years prior to 2022 are no longer subject to examination by the Internal Revenue Service or the tax jurisdictions of the District of Columbia and California.

Credit risk

The Fund maintains balances in its cash, cash equivalents and short-term investments that, at times, exceed Federal Deposit Insurance Corporation ("FDIC") limits.

The Fund's investments consist of cash and money market funds, equity funds, fixed income funds, U.S. Treasury notes and alternative investment strategies. These investments are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments reported in the consolidated statement of financial position as of August 31, 2025. However, management is confident that the diversification of The Fund's invested assets and the nature of the invested assets should mitigate the potential for any significant impact from these risks.

Prior year information
The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class or function. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Fund's consolidated financial statements for the year ended August 31, 2024, from which the summarized information was derived.

Reclassifications
Certain reclassifications have been made to the 2024 amounts to conform to the 2025 presentation.

Subsequent events
The Fund evaluated events and transactions for potential recognition or disclosure through March 13, 2026, the date the consolidated financial statements were available to be issued. There are no subsequent events requiring recognition or disclosure in the consolidated financial statements.

Note 3 - Liquidity and availability of resources

The Fund regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Fund has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, lines of credit, and commercial paper facilities.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Fund considers all expenditures related to its ongoing activities of operating education programs for selected college students, high school students and teachers, and professionals from all parts of the world.

In addition to financial assets available to meet general expenditures over the next 12 months, the Fund operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Fund budgets annual spending from its donor-restricted endowments, which is defined as approximately 5% of the trailing 12-quarter (three-year) market value of the endowment.

As of August 31, 2025, the following tables show the total financial assets held by The Fund and the amounts of those financial assets that could readily be made available within one year of the date of the statement of financial position to meet general expenditures:

Financial assets at year-end	
Cash and cash equivalents	$ 404,146
Restricted cash	32,727
Accounts receivable	360,718
Pledges receivable, net	5,071,665
Investments	18,719,168
Deposits	250,000
Remainder interests	284,920
	25,123,344
Less those unavailable for general expenditure within one year	
Pledges receivable due in excess of one year	(1,277,776)
Restricted cash	(32,727)
Investments held as collateral	(9,056,637)
Investments held for donor restricted endowments	(7,113,774)
Investments held for deferred compensation	(239,044)
Investments held for charitable gift annuities	(124,514)
Deposits	(250,000)
Remainder interests	(284,920)
Financial assets available to meet general expenditures within one year	$ 6,743,952

As noted in Note 9, as of August 31, 2025, TFAS has an additional $3,080,000 available to draw upon from its line of credit to meet general expenditures.

Note 4 - Related party transactions

The Board of Trustees approved $95,000 in annual compensation to Randal Teague, its Chairman, for his services beyond traditional governance roles and levels of engagement of a trustee or an officer. Compensation for the year ended August 31, 2025 was $95,000. These services and levels of engagement include focuses on strategic planning for the organization's future, institutional development and fundraising, relations with other organizations, student and alumni engagement, participation in program events, and national and international programs content.

Note 5 - Pledges receivable

As of August 31, 2025 pledges receivable are due in the following periods:

Pledges receivable less than one year	$ 3,793,889
Pledges receivable one to five years	1,420,000
	5,213,889
Less unamortized discount	(142,224)
Pledges receivable, net	$ 5,071,665

Pledges receivable due in excess of one year were discounted at August 31, 2025, based on discount rates from 1.8% to 3.9%.

Note 6 - Property and equipment

Property and equipment at August 31, 2025 consists of the following:

Building and improvements	$ 2,418,405
Furniture and equipment	1,430,745
Website	95,357
Land	384,000
	4,328,507
Less accumulated depreciation and amortization	(3,406,120)
	$ 922,387

Note 7 - Investments

Investments at August 31, 2025 consist of the following:

Equity funds	$ 10,858,612
Fixed income funds	4,945,334
Cash and money market funds	1,100,199
Alternative investment strategies	683,026
U.S. Treasury note	892,953
Deferred compensation assets	239,044
	$ 18,719,168

Alternative investments consist of exchange-traded funds and an investment in a fund of funds, which is reported at net asset value ("NAV"). This investment objective is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies. Redemption of shares in the Fund of funds is required via tender offer signed by the President of TFAS, and liquidation happens on a quarterly basis. The investment in the Fund of funds requires NAV per share to be calculated based on measurement of all the underlying investments in the Funds. As of August 31, 2025, there are no unfunded commitments.

Investment income for the year ended August 31, 2025, consists of the following:

Interest and dividends	$ 654,822
Net realized and unrealized gain on investments	1,358,870
	2,013,692
Investment fees	(65,130)
	$ 1,948,562

In 2016, TFAS received a donation of 3,182 common shares of private company stock. Given there is no active market for this stock, no contribution or asset has been recorded in these financial statements. The contribution will be recorded if/when the stock is sold.

Note 8 - Annuities payable

TFAS has received annuity gifts, whereby the donors have contributed assets to TFAS in exchange for the right to receive a fixed-dollar annual return during their lifetime.

During 2020, TFAS received donated condominium units as part of an annuity agreement. Ownership of the condominium units was received by TFAS and TFAS has a remainder interest in the condominium units. The donor will remain living in the property and is responsible for paying maintenance, insurance and taxes on the property. The donor will also receive quarterly payments of $13,978 for the remainder of his life. The condominium units are recorded as part of other assets as of August 31, 2025.

The fair value of the annuity gifts over the present value of the liabilities for future payments and when applicable, the estimated value of the use of gifted property, determined on an actuarial basis, has been recognized as contributions at the dates of the gifts. Annuities are based on interest rates ranging from .6% to 5.6%, and the payment term is the annuitant's life expectancy. Following is a summary of the changes in the annuities payable for the year ended August 31, 2025:

Balance at September 1, 2024	$ 1,052,486
Payments to annuitants	(69,593)
Adjustments to liability relating to passage of time and other factors	19,463
Balance at August 31, 2025	$ 1,002,356

The assets and corresponding liabilities (including payments currently due and the present value of the estimated future actuarial liability to annuitants, reported in other liabilities) of the gift annuities at August 31, 2025 are as follows:

Investment	$ 124,514
Other assets	$ 1,165,741
Annuities payable	$ 1,002,356

Note 9 - Line of credit

On November 15, 2019, TFAS entered into a line of credit agreement of up to $5,000,000, secured by TFAS's investments. The line of credit agreement requires TFAS to maintain undesignated net assets to match a collateral amount, based on the release rates of each investment in the collateral investment account. TFAS used the line of credit to pay off previous loans. Advances on the line of credit have the option of being at fixed or variable rates, at TFAS's request and the bank's approval. The advances require payments of interest only with principal and any accrued interest due upon maturity or upon demand by the lender. If the advances are not paid in full by the maturity date, the advances will convert to a variable rate. The following is a summary of the amounts outstanding at August 31, 2025:

Type	Amount outstanding August 31, 2025	Interest	Maturity date
Fixed rate advances	$ 1,920,000	1.81%	March 30, 2027

Interest expense for the year ended August 31, 2025 totaled $35,947.

Note 10 - Leases

In January 2024, TFAS executed a lease for office space in California under a lease that expires on December 31, 2028. The lease contains annual escalations to the base rent and a monthly rent abatement for the first 2 months of the term. Rent expense for the year ended August 31, 2025 was $89,285, and is included in facility costs on the consolidated statement of functional expenses.

Future minimum rental lease payments are as follows for the years ending August 31:

Year ending August 31,	
2026	$ 76,715
2027	79,016
2028	81,387
2029	27,395
Subtotal	264,513
Less imputed interest at 4.00%	17,523
Present value of net minimum lease payments	246,990
Less current portion	76,715
Long-term portion	$ 170,275
Cash paid for amounts included in the measurement of lease obligations	$ 74,480
Weighted-average remaining lease term	3.3

Note 11 - Net assets with donor restrictions

As of August 31, 2025, net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for specified time and purpose	
David R. and Corinne Watt Jones Scholarships and Fellowships Fund	$ 654,336
Eben Tisdale Fellowship	519,600
Rowny Paderewski Scholarship Fund	377,128
Alan and Rella Bates Scholarship Fund	304,570
George Viksnins Scholarship Fund	201,870
Randal C. Teague Scholarships and Fellowships Fund	170,491
Dixie Davis Scholarship Fund	145,067
Neal B. Freeman Lecture Fund	53,463
Don Lavoie Scholarship Fund	84,816
Kevin Burket Memorial Scholarship Fund	61,202
Fred Barnes Scholarship Fund	57,455
Don and Martha Sundquist Scholarship Fund	50,139
Reach Your Peak Scholarship Fund	57,358
Ream Family Fund	154,525
Krista and Paul Ritacco Scholarship Fund	96,050
Other named scholarship funds	164,240
Other scholarships and support	1,126,993
Special projects and new initiatives	1,943,391
High school (FTE) Programs	151,456
Subject to the passage of time	482,507
	6,856,657
Corpus and expendable portion of the following endowments	
Fred and Georganna Long Scholarship Fund	413,719
Arnold Garrison Scholarship Fund	247,739
John Cataldo Scholarship Fund	723,317
Hunter Hunt Scholarship Fund	952,270
James Mrazek Scholarship Fund	244,372
Dell Thurmond Woodard Fellowship	150,737
Hybl Family Scholarship	141,381
David Martin Scholarship Fund	124,154
Joseph Rago Memorial Fellowship for Excellence in Journalism	1,304,701
H.L. Harris Endowment at George Mason University	47,435
Branch Family Scholarship Fund	64,288
Steve and Eileen Berlin Scholarship Fund	111,381
Patt Patterson Scholarship Fund	49,957
Jimmy Dimos Family Scholarship Fund	60,714
Philip Friedmann Scholarship Fund	228,689
Goossen Family Scholarship Fund	48,134
Lady Blanka Rosenstiel Scholarship Fund	129,990
Steve and Julieta Slattery Endowed Scholarship Fund	48,026
The Hon. James B. Culbertson Scholarship Fund	242,271
The Gary and Aldona Robbins Scholarship Fund	78,706
The Senator Dan and Milena McConchie Scholarship Fund	122,372
Woodhouse Public Policy Fellowship Endowment	1,079,998
Marilyn and John Woodhouse Scholarship Fund	499,423
	7,113,774
	$ 13,970,431

Note 12 - Endowments

The Fund's endowments consist of 22 funds established to support a variety of programs at the Fund. Its endowments consist of donor-restricted endowment funds. As required by generally accepted accounting principles, net assets established with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net assets - interpretation of relevant law
The Board of Trustees has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") enacted into law in Washington, D.C. on January 23, 2008, 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 Fund classifies in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity, are subject to appropriation for expenditure by the Fund in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Fund 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 preservation of the Fund and the 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 appreciation of investments.
6. Other resources of the Fund.
7. The investment policies of the Fund.

Funds with deficiencies
From time to time, the fair value of the assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires the Fund to retain as a fund of perpetual duration (underwater endowments). The Fund has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At August 31, 2025, a fund with an original gift value of $124,446 had a fair value of $122,372, resulting in a deficiency of $2,074 being reported in net assets with donor restrictions.

The endowments' return objective and risk parameters
The Fund has adopted investment and spending policies for endowment assets that attempt to provide capital preservation and purchasing power protection consistent with the promotion of the long-term financial stability of the Fund. Achievement of this goal will be measured over three-year rolling periods, as well as a complete market cycle. The total return of the portfolio over a complete market cycle should exceed inflation by 5%. A strategic asset allocation policy for the portfolio has been established, based on the belief that individual asset classes exhibit differing behavior under various market conditions and that a multi-asset class portfolio will result in a portfolio with superior risk and return characteristics. This strategic plan for investing the portfolio assets has been established with a time horizon of 10 years and will be reviewed each year to determine if it should be modified given existing changes in either the Fund's needs or the long-term prospects for the capital markets.

Spending policy
The Fund's annual spending is defined as approximately 5% of the trailing 12-quarter (three-year) market value of the endowment.

Changes in endowment net assets for the year ended August 31, 2025 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, August 31, 2024	$ -	$ 6,443,678	$ 6,443,678
Contributions	-	175,414	175,414
Interest, dividends, net of fees	-	375,561	375,561
Realized and unrealized gains	-	272,852	272,852
Appropriations	-	(153,731)	(153,731)
Endowment net assets, August 31, 2025	$ -	$ 7,113,774	$ 7,113,774

Note 13 - Commitments and Contingencies

The Fund also has a three-year agreement with a university to collaborate with the Fund on the delivery of high-quality courses in the arts and humanities. This contract required the Fund to advance $250,000 to cover start-up costs, etc., which will remain on deposit with the university throughout the term of the agreement. In September 2024, the agreement was amended, extending the term until September 2027.

In the ordinary course of business, The Fund may be involved in litigation, claims or assessments. In the opinion of management, the result of any such matters will not have a materially adverse impact on the consolidated financial statements.

Note 14 - Retirement plans

TFAS employees are eligible to participate in the Fund for American Studies Defined Contribution and Retirement Plan (the "Plan") as long as they are salaried employees. Employees can make voluntary tax-deferred contributions up to specified limits. The Fund matches 100% of the first 3% of salary deferred and 50% of the next 2% of salary deferred, after the employee completes one year of service. In addition, the Fund may make an employer-elected contribution to employees. The Fund's total contribution to the Plan was $158,342 for the year ended August 31, 2025.

TFAS also established a 457(b) deferred compensation plan for its President in 2011. No contributions were made for the year ended August 31, 2025. The deferred compensation plan asset and liability total $239,044 at August 31, 2025, with the asset included in investments, and the liability included in accounts payable and accrued expenses on the consolidated statement of financial position.

Note 15 - Fair value measurements

Fair values of assets and liabilities ("financial instruments") measured on a recurring basis at August 31, 2025 are as follows:

		Fair value measurements at reporting date using			
	Fair value	Net asset value	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Equity funds	$ 10,858,612	$ -	$ 10,858,612	$ -	$ -
Fixed income funds	4,945,334	-	4,945,334	-	-
Cash and money market funds	1,100,199	-	1,100,199	-	-
Alternative investment strategies	683,026	383,363	299,663	-	-
U.S. Treasury note	892,953	-	-	892,953	-
Deferred compensation assets	239,044	-	239,044	-	-
Remainder interests	284,920	-	-	-	284,920
Total assets	$ 19,004,088	$ 383,363	$ 17,442,852	$ 892,953	$ 284,920
Liabilities					
Deferred compensation obligations	$ 239,044	$ -	$ 239,044	$ -	$ -

The Fund reports the fair value of its financial instruments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and provide highest quality inputs. Level 2 inputs are based primarily on quoted prices for identical assets in inactive markets or similar assets in active or inactive markets or other significant observable inputs. Level 3 inputs provide the lowest quality inputs because there are no significant observable inputs. The Fund uses appropriate valuation techniques based on the available inputs to measure the fair value of its financial instruments. When available, the Fund measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. There have been no changes in the valuation methodologies during the year ended August 31, 2025. Money market funds reported as Level 1 inputs have been valued at the closing price reported by the fund sponsor from an actively traded exchange. Equity funds, fixed income funds and alternative investment strategies have been valued at the closing price reported on the active market in which the individual securities are traded. The value of the deferred compensation obligation is based upon the underlying fair value of the deferred compensation assets. The value of the remainder interest trust is based upon the net present value of the assets held in trust. There have been no changes in the valuation methodologies used during the current year. All assets have been valued using a market approach.

Investments that are measured at fair value using NAV as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

There were no transfers into or out of level 3 of the fair value hierarchy above, nor were there any purchases or issues of Level 3 assets or liabilities during the year August 31, 2025.

CohnReznick