H&E ADVISORS

CERTIFIED PUBLIC ACCOUNTANTS
ASSURANCE AND ADVISORY

Financial Statements

Machine Intelligence Research Institute, Inc.
(a nonprofit organization)
Year Ended December 31, 2025

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Machine Intelligence Research Institute, Inc.
Berkeley, California

Opinion

We have audited the financial statements of Machine Intelligence Research Institute, Inc., which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Machine Intelligence Research Institute, Inc. as of December 31, 2025, and the changes in its 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Machine Intelligence Research Institute, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 Machine Intelligence Research Institute, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Information

We have previously audited Machine Intelligence Research Institute, Inc.'s December 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 4, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

H&E Advisors, LLC

Boise, Idaho
July 15, 2026

MACHINE INTELLIGENCE RESEARCH INSTITUTE, INC.
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2025
With comparative totals as of December 31, 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 2,188,006	$ 2,194,323
Investments	9,344,901	12,582,579
Contributions receivable	419,077	58,359
Prepaid expenses	17,741	17,558
Total Current Assets	11,969,725	14,852,819
Other Assets		
Fixed assets, net	226,756	334,354
Intangible assets – cryptocurrencies	196,385	136,083
Operating lease right-of-use asset, net	688,989	1,122,408
Security deposits	48,125	48,125
Total Other Assets	1,160,255	1,640,970
Total Assets	$ 13,129,980	$ 16,493,789
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 49,393	$ 110,059
Accrued liabilities	601	515
Operating lease liability – current portion	465,557	428,074
Total Current Liabilities	515,551	538,648
Operating Lease Liability, net	244,567	712,926
Total Liabilities	760,118	1,251,574
Net Assets		
Without donor restrictions	12,174,552	8,990,523
With donor restrictions	195,310	6,251,692
Total Net Assets	12,369,862	15,242,215
Total Liabilities and Net Assets	$ 13,129,980	$ 16,493,789

MACHINE INTELLIGENCE RESEARCH INSTITUTE, INC.
STATEMENTS OF ACTIVITES
For the year ended December 31, 2025
With comparative totals for the year ended December 31, 2024

	2025			
	Without Donor Restrictions	With Donor Restrictions	Total	2024 Total
Revenue, Support, and Gains				
Investment income (loss), net	$ 1,788,151	$ 0	$ 1,788,151	$ 1,424,266
Contributions	1,423,733	47,769	1,471,502	173,568
Grants and contracts	511,954	306,500	818,454	422,338
Book sales and royalties	377,593	0	377,593	6,272
Office sharing fees	243,975	0	243,975	27,250
Gain (loss) on intangible assets	(131,810)	0	(131,810)	0
Other income	14,163	0	14,163	11,739
	4,227,759	354,269	4,582,028	2,065,433
Net assets released from restrictions	6,410,651	(6,410,651)	0	0
Total Revenue, Support, and Gains	10,638,410	(6,056,382)	4,582,028	2,065,433
Expenses				
Program services				
Research	1,759,293	0	1,759,293	3,249,353
Outreach	3,804,017	0	3,804,017	1,758,514
Total Program Services	5,563,310	0	5,563,310	5,007,867
Support Services				
Management and general	2,006,109	0	2,006,109	1,450,823
Fundraising	86,223	0	86,223	22,430
Total Support Services	2,092,332	0	2,092,332	1,473,253
Total Expenses	7,655,642	0	7,655,642	6,481,120
Change in Net Assets	$ 2,982,768	$ (6,056,382)	$ (3,073,614)	$ (4,415,687)

MACHINE INTELLIGENCE RESEARCH INSTITUTE, INC.
STATEMENTS OF ACTIVITES, CONT.
For the year ended December 31, 2025
With comparative totals for the year ended December 31, 2024

	2025			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**2024 Total**
Net Assets				
Beginning of Year, as previously reported	8,990,523	6,251,692	15,242,215	19,657,902
Cumulative effect of adoption of ASU 2023-08	201,261	0	201,261	0
Beginning of Year, as adjusted	9,191,784	6,251,692	15,443,476	19,657,902
Change in Net Assets	2,982,768	(6,056,382)	(3,073,614)	(4,415,687)
End of Year	$ 12,174,552	$ 195,310	$ 12,369,862	$ 15,242,215

MACHINE INTELLIGENCE RESEARCH INSTITUTE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended December 31, 2025
With comparative totals for the year ended December 31, 2024

	Program Services		Support Services			
	Research	Outreach	Management and General	Fundraising	2025 Total	2024 Total
Employee salaries	$ 1,278,362	$ 1,841,414	$ 679,758	$ 64,923	$ 3,864,457	$ 4,306,303
Contract services	233,104	988,832	225,412	12,621	1,459,969	738,565
Rent and occupancy	436	0	482,868	0	483,304	404,842
Employee benefits	137,549	193,831	67,247	4,019	402,646	310,624
Office expenses	3,095	68,699	288,650	1,359	361,803	181,755
Advertising	0	350,208	0	101	350,309	250
Payroll taxes	91,943	116,301	62,710	3,200	274,154	278,248
Conferences	1,712	162,200	1,700	0	165,612	37,502
Meals and entertainment	0	0	0	0	0	1,034
Depreciation	0	0	142,947	0	142,947	32,332
Travel	13,092	82,532	17,977	0	113,601	35,900
Insurance	0	0	19,939	0	19,939	20,737
Grants to others	0	0	0	0	0	119,058
Other expenses	0	0	16,901	0	16,901	13,970
Total Expenses	$ 1,759,293	$ 3,804,017	$ 2,006,109	$ 86,223	$ 7,655,642	$ 6,481,120

MACHINE INTELLIGENCE RESEARCH INSTITUTE, INC.
STATEMENTS OF CASH FLOWS
For the year ended December 31, 2024
With comparative totals for the year ended December 31, 2023

	2025	2024
Cash Flow From Operating Activities		
Change in net assets	$ (3,073,614)	$ (4,415,687)
Adjustments to reconcile change in net assets to net cash from (used for operating activities):		
Depreciation	142,947	32,332
(Gain) loss on sale of equipment	208	0
Noncash lease expense	2,543	18,592
Unrealized (gain) loss on investments	(410,584)	(558,102)
Realized (gain) loss on investments	(1,062,044)	(274,404)
Donated intangible assets	(118,510)	(9,998)
Unrealized (gain) loss on intangible assets	131,059	0
Realized (gain) loss on intangible assets	751	0
Changes in operating assets and liabilities:		
Contributions receivable	(360,718)	(43,543)
Prepaid expenses	(183)	(3,078)
Security deposits	0	(29,946)
Accounts payable	(60,666)	9,890
Accrued expenses	86	(11,937)
Grants payable	0	(75,000)
Net Cash From (Used For) Operating Activities	(4,808,725)	(5,360,881)
Cash Flow From Investing Activities		
Purchases of investments	(1,027,644)	(1,149,730)
Proceeds from sale of investments	5,737,950	776,177
Purchases of fixed assets	(41,399)	(340,156)
Proceeds from sale of equipment	5,842	0
Proceeds from sale of intangible assets	127,659	0
Net Cash From (Used For) Investing Activities	4,802,408	(713,709)
Net Change in Cash and Cash Equivalents	(6,317)	(6,074,590)
Cash and Cash Equivalents – Beginning of Year	2,194,323	8,268,913
Cash and Cash Equivalents – End of Year	$ 2,188,006	$ 2,194,323

Note 1 – Principal Activity and Significant Accounting Policies

Nature of Organization

Machine Intelligence Research Institute, Inc., (the Organization) is a nonprofit corporation registered in Georgia, and operating in California. The objective of the Organization, to ensure that the creation of smarter-than-human intelligence has a positive impact on society, is accomplished through continued research and study of the mathematical underpinnings of intelligent behavior, in particular relation to artificial intelligence.

Basis of Accounting

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

Basis of Presentation

The Organization presents its financial statements in accordance with current accounting guidance, under which the organization is required to report information regarding its financial position and activities according to classes of net assets as follows:

> **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 the organization. These net assets may be used at the discretion of the Organization's management and/or 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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby 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 activities.

Adoption of Accounting Pronouncements

The Organization adopted Accounting Standards Update ("ASU") 2023-08, *Intangibles – Goodwill and Other – Crypto Assets*, which requires entities to measure certain crypto assets at fair value, with changes in fair value recognized in net income each reporting period.

Note 1 – Principal Activity and Significant Accounting Policies

The Organization adopted this standard effective January 1, 2025, using a modified retrospective approach. Upon adoption, crypto assets previously accounted for under the cost-less-impairment model were adjusted to fair value, with the difference recognized as a cumulative effect adjustment to opening net assets.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits, which is guaranteed by the FDIC up to $250,000 per depositor, per insured bank.

Note 1 – Principal Activity and Significant Accounting Policies

Fixed Assets

Property and equipment additions over $500 are capitalized at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed when incurred. Accumulated depreciation as of December 31, 2025 and 2024 was $393,469 and $260,374, respectively.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. Financing lease expense is recognized using the effective interest method over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Intangible Assets - Cryptocurrencies

The Organization regularly receives donations in the form of cryptocurrency. In accordance with 2023-08, *Intangibles – Goodwill and Other – Crypto Assets*, the Organization accounts for qualifying cryptocurrencies at fair value. Cryptocurrency donations are initially recorded at their fair value on the date of receipt, which establishes the Organization’s cost basis. Subsequently, crypto assets are measured at fair value at each reporting date, with changes in fair value recognized in the statement of activities.

When cryptocurrencies are sold, the Organization recognizes a realized gain or loss equal to the difference between the proceeds received and the asset’s carrying value at the time of sale. Fair value is determined using quoted prices in active markets for identical assets (Level 1 inputs), when available. The Organization presents crypto assets separately from other intangible assets on the statement of financial position, and changes in fair value are presented separately in the statement of activities.

Note 1 – Principal Activity and Significant Accounting Policies

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the activities as net assets released from restrictions.

Contributed Nonfinancial Assets

Donated nonfinancial assets are recorded at their estimated fair value, which are based upon information provided by third-party service providers, determined on the date of contribution and are reported as contributed nonfinancial assets on the accompanying statements of activities.

Functional Expense Allocation

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among more than one program or supporting functions. Such allocations are determined by management on an equitable basis. The expenses that are allocated include salaries and related costs, which are allocated based on estimates of the time and effort of employees, and depreciation, which is allocated based on the fixed assets and associated use within a particular program or function.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expenses totaled $350,309 and $250 for the years ended December 31, 2025, and 2024, respectively.

Presentation of Certain Taxes

The Organization collects various taxes from customers and remits these amounts to applicable taxing authorities. The Organization’s accounting policy is to exclude these taxes from revenues and cost of sales.

Note 1 – Principal Activity and Significant Accounting Policies

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of that position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2025. The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2022.

Income Taxes

Machine Intelligence Research Institute, Inc., is organized as a Georgia nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization has determined that it is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Organization has evaluated subsequent events through July 15, 2026, which is the date the financial statements were available to be issued.

Note 2 – Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of December 31, 2025, reduced by amounts not available for general use within one year of December 31, 2025, due to contractual or donor-imposed restrictions:

Financial assets as of December 31, 2025	
Cash and cash equivalents	$ 2,188,006
Investments	9,344,901
Contributions receivable	419,077
Intangible assets – cryptocurrencies	196,385
Total financial assets as of year-end	12,148,369
Less amounts unavailable for general expenditures within one year:	
Net assets with donor restrictions	(195,310)
Financial assets available within one year	$ 11,953,059

The Organization's goal is generally to maintain financial assets sufficient to meet operating expenditures as they become due. As part of its liquidity plan, excess cash is invested in short-term, liquid investments, including money market accounts and equity securities.

Note 3 – Investments

Investment income for the year ended December 31 consists of the following:

	2025	2024
Unrealized gain (loss)	$ 410,584	$ 558,102
Realized gain (loss)	1,062,044	274,404
Dividends and interest	340,691	619,340
Fees and deductions	(25,168)	(27,580)
Total	$ 1,788,151	$ 1,424,266

Note 4 – Fair Value Measurements and Disclosures

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

> **Level 1** – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.
>
> **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.
>
> **Level 3** – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset. The following table presents assets measured at fair value within the fair value hierarchy as of:

		Fair Value Measurements Using		
December 31, 2025	**Total**	**Level 1**	**Level 2**	**Level 3**
Equity securities	$ 9,344,901	$ 9,344,901	$ 0	$ 0

		Fair Value Measurements Using		
December 31, 2024	**Total**	**Level 1**	**Level 2**	**Level 3**
Equity securities	$ 12,582,579	$ 12,582,579	$ 0	$ 0

Note 5 – Fixed Assets

Fixed assets as of December 31, consisted of the following:

	2025	2024
Leasehold improvements	$ 281,572	$ 281,572
Software	8,170	8,170
Furniture and equipment	330,483	304,986
Fixed assets, cost basis	620,225	594,728
Less: Accumulated depreciation	(393,469)	(260,374)
Fixed Assets, net	$ 226,756	$ 334,354

Depreciation expense for the years ended December 31, 2025, and 2024 was $142,947 and $32,332, respectively.

Note 6 – Intangible Assets – Cryptocurrencies

The Organization receives donations in the form of cryptocurrencies from a number of donors. The cryptocurrencies and their carrying amounts on December 31 are as follows:

			2025	2024
Cryptocurrency	Number of Units	Cost Basis	Fair Value	Fair Value
XLM Sellar Lumens	979,542	$ 126,085	$ 196,383	$ 126,085
Bitcoin	.003	2	2	0
Total Cryptocurrencies		$ 126,087	$ 196,385	$ 126,085

The following table presents a reconciliation of cryptocurrencies measured at fair value for the years ended December 31:

	2025	2024
Beginning cryptocurrencies	$ 136,083	$ 136,083
Adoption of ASU 2023-08	201,261	0
Additions	118,510	0
Dispositions	(127,659)	0
Realized gain (loss)	(751)	0
Unrealized gain (loss)	(131,059)	0
Net change in fair value of cryptocurrencies	60,302	0
Ending cryptocurrencies	$ 196,385	$ 136,083

Note 7 – Leases

The Company has evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represents the Company's right to use underlying assets for the lease term, and the lease liabilities represent the Company's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating and capital leases, were calculated based on the present value of future lease payments over the lease terms. The Company has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2025, was 4.58%.

As of December 31, 2025, the weighted-average remaining lease term for the Company's operating lease was approximately 2.58 years.

Lease expense for the year ended December 31, 2025 was $477,222. There were no noncash investing and financing transactions related to leasing, except as described in Note 1.

Future minimum lease payments at December 31, 2025, are as follows:

2026	$ 488,471
2027	247,844
Total lease payments	736,315
Less present value discount	(26,191)
Total lease obligations	710,124
Less current portion	(465,557)
Long-term portion of leases	$ 244,567

Note 8 – Net Assets

The detail of the Organization's net asset categories as of December 31, is as follows:

	2025	**2024**
Net assets without donor restrictions:		
Undesignated surplus	$ 11,947,796	$ 8,656,169
Invested in property and equipment	226,756	334,354
Total net assets without donor restrictions	12,174,552	8,990,523
Net assets with donor restrictions:		
Eisenstat Research Program	192,911	0
AI Impacts	2,399	166,395
Time restriction	0	6,085,297
Total net assets with donor restrictions	195,310	6,251,692
Total net assets	$ 12,369,862	$ 15,242,215