



Guttmacher Institute, Inc.

Independent Auditor's Report and Financial Statements

December 31, 2025 and 2024



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Independent Auditor's Report

Board of Directors
Guttmacher Institute, Inc.
New York, New York

Opinion

We have audited the financial statements of Guttmacher Institute, Inc., which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Guttmacher Institute, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Guttmacher Institute, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Guttmacher Institute, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be 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 Guttmacher 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 Guttmacher 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.

Forvis Mazars, LLP

**New York, New York
June 29, 2026**

Guttmacher Institute, Inc.
Statements of Financial Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 9,487,542	\$ 5,184,007
Investments	38,869,499	42,468,547
Grants receivable, net of discount	7,841,761	4,805,228
Other receivable	645,463	505,887
Prepaid expenses and other assets	212,147	62,545
Security deposits	157,018	157,018
Right-of-use assets - operating leases	2,521,372	3,265,514
Fixed assets, net	<u>7,293,611</u>	<u>7,998,797</u>
Total Assets	<u><u>\$ 67,028,413</u></u>	<u><u>\$ 64,447,543</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 2,175,617	\$ 1,932,074
Postretirement benefits payable	457,149	502,053
Operating lease liabilities	3,018,502	3,825,005
Loans payable, net of unamortized debt issuance costs	<u>5,815,968</u>	<u>6,343,753</u>
Total Liabilities	<u>11,467,236</u>	<u>12,602,885</u>
Net Assets		
Without Donor Restrictions		
Undesignated	2,880,164	12,666,393
Designated by the Board for reserves	14,910,651	13,147,674
Net investment in property and equipment, net of related debt	<u>1,477,643</u>	<u>1,655,044</u>
Total Without Donor Restrictions	19,268,458	27,469,111
With Donor Restrictions	<u>36,292,719</u>	<u>24,375,547</u>
Total Net Assets	<u>55,561,177</u>	<u>51,844,658</u>
Total Liabilities and Net Assets	<u><u>\$ 67,028,413</u></u>	<u><u>\$ 64,447,543</u></u>

Guttmacher Institute, Inc.
Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Gains, and Other Support						
Contributions	\$ 3,003,003	\$ -	\$ 3,003,003	\$ 3,015,909	\$ -	\$ 3,015,909
Grants and contracts from U.S. government agencies	1,220,748	-	1,220,748	1,565,868	-	1,565,868
Grants from U.S. private organizations	2,441,000	21,583,034	24,024,034	4,625,543	8,359,881	12,985,424
Grants from foreign governments and institutions	798,547	2,599,455	3,398,002	-	5,746,034	5,746,034
Publication income and other revenue	135,404	-	135,404	321,048	-	321,048
Net investment return	476,045	-	476,045	1,078,358	-	1,078,358
Net assets released from restriction	13,762,565	(13,762,565)	-	11,657,587	(11,657,587)	-
Total Revenues, Gains, And Other Support	21,837,312	10,419,924	32,257,236	22,264,313	2,448,328	24,712,641
Operating Expenses						
Program Services						
Research	13,035,122	-	13,035,122	16,496,235	-	16,496,235
Public education	6,199,205	-	6,199,205	6,691,713	-	6,691,713
Public policy	3,105,125	-	3,105,125	3,487,446	-	3,487,446
Total Program Services	22,339,452	-	22,339,452	26,675,394	-	26,675,394
Supporting Services						
Management and general	7,293,878	-	7,293,878	6,175,352	-	6,175,352
Fundraising	2,228,976	-	2,228,976	2,257,659	-	2,257,659
Total Supporting Services	9,522,854	-	9,522,854	8,433,011	-	8,433,011
Total Operating Expenses	31,862,306	-	31,862,306	35,108,405	-	35,108,405
Change in net assets before postretirement benefit plan adjustment, and investment income, nonoperating	(10,024,994)	10,419,924	394,930	(12,844,092)	2,448,328	(10,395,764)
Other Revenues and (Expense/Loss)						
Adjustment to minimum postretirement benefit liability	85,081	-	85,081	99,366	-	99,366
Net periodic benefit cost and postretirement benefit less service costs	(23,717)	-	(23,717)	(25,717)	-	(25,717)
Net investment return, nonoperating	1,762,977	1,497,248	3,260,225	1,593,900	1,139,067	2,732,967
Change in Net Assets	(8,200,653)	11,917,172	3,716,519	(11,176,543)	3,587,395	(7,589,148)
Net Assets, Beginning of Year	27,469,111	24,375,547	51,844,658	38,645,654	20,788,152	59,433,806
Net Assets, End of Year	\$ 19,268,458	\$ 36,292,719	\$ 55,561,177	\$ 27,469,111	\$ 24,375,547	\$ 51,844,658

See Notes to Financial Statements

Guttmacher Institute, Inc.
Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

	2025							
	Program Services				Supporting Services			
	Research	Public Education	Public Policy	Total	Management and General	Fundraising	Total	Total
Salaries	\$ 6,522,282	\$ 3,732,631	\$ 1,772,665	\$ 12,027,578	\$ 3,748,544	\$ 1,022,873	\$ 4,771,417	\$ 16,798,995
Payroll taxes and employee benefits	2,035,199	1,163,990	552,790	3,751,979	1,188,591	318,974	1,507,565	5,259,544
Total Salaries and Related Expenses	8,557,481	4,896,621	2,325,455	15,779,557	4,937,135	1,341,847	6,278,982	22,058,539
Printing and artwork	2,482	1,082	-	3,564	341	9,919	10,260	13,824
Data processing	24,442	124,782	14,196	163,420	239,079	177,091	416,170	579,590
Professional fees	949,004	98,052	212,297	1,259,353	1,044,744	452,876	1,497,620	2,756,973
Subcontracts	1,879,726	337,867	222,500	2,440,093	913	-	913	2,441,006
Occupancy and office costs (includes interest on long-term financing of \$128,659)	677,715	331,060	174,008	1,182,783	515,929	126,152	642,081	1,824,864
Information technology	128,085	25,482	14,829	168,396	26,581	17,766	44,347	212,743
Postage and shipping	1,456	-	232	1,688	2,438	4,953	7,391	9,079
Conferences, meetings, and travel	367,105	215,051	37,388	619,544	255,384	11,862	267,246	886,790
Dues, subscriptions, and publications	107,035	2,726	17,167	126,928	51,565	8,013	59,578	186,506
Miscellaneous	1,023	646	187	1,856	46,036	15,322	61,358	63,214
Total Expenses Before Depreciation and Amortization	12,695,554	6,033,369	3,018,259	21,747,182	7,120,145	2,165,801	9,285,946	31,033,128
Depreciation and amortization	339,568	165,836	86,866	592,270	173,733	63,175	236,908	829,178
Total Operating Expenses	13,035,122	6,199,205	3,105,125	22,339,452	7,293,878	2,228,976	9,522,854	31,862,306
Net periodic benefit cost and postretirement benefit less service costs	9,201	5,265	2,500	16,966	5,308	1,443	6,751	23,717
Total Expenses	<u>\$ 13,044,323</u>	<u>\$ 6,204,470</u>	<u>\$ 3,107,625</u>	<u>\$ 22,356,418</u>	<u>\$ 7,299,186</u>	<u>\$ 2,230,419</u>	<u>\$ 9,529,605</u>	<u>\$ 31,886,023</u>

Guttmacher Institute, Inc.
Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

(Continued)

	2024							
	Program Services				Supporting Services			
	Research	Public Education	Public Policy	Total	Management and General	Fundraising	Total	Total
Salaries	\$ 8,354,437	\$ 3,558,603	\$ 1,489,903	\$ 13,402,943	\$ 2,978,528	\$ 1,129,929	\$ 4,108,457	\$ 17,511,400
Payroll taxes and employee benefits	2,503,875	1,067,670	446,802	4,018,347	889,817	339,022	1,228,839	5,247,186
Total Salaries and Related Expenses	10,858,312	4,626,273	1,936,705	17,421,290	3,868,345	1,468,951	5,337,296	22,758,586
Printing and artwork	1,402	4,104	1,443	6,949	8,121	78,527	86,648	93,597
Data processing	11,972	51,765	21,706	85,443	309,977	67,597	377,574	463,017
Professional fees	3,692,897	1,210,558	713,263	5,616,718	1,001,466	356,218	1,357,684	6,974,402
Occupancy and office costs (includes interest on long-term financing of \$140,055)	653,605	502,607	461,649	1,617,861	256,857	128,584	385,441	2,003,302
Information technology	117,828	29,031	12,241	159,100	63,641	6,591	70,232	229,332
Postage and shipping	483	-	425	908	3,424	53,142	56,566	57,474
Conferences, meetings, and travel	655,941	110,476	251,695	1,018,112	404,561	5,339	409,900	1,428,012
Dues, subscriptions and publications	56,227	12,996	12,774	81,997	60,638	20,272	80,910	162,907
Miscellaneous	111,349	689	15,585	127,623	78,452	26,965	105,417	233,040
Total Expenses Before Depreciation and Amortization	16,160,016	6,548,499	3,427,486	26,136,001	6,055,482	2,212,186	8,267,668	34,403,669
Depreciation and amortization	336,219	143,214	59,960	539,393	119,870	45,473	165,343	704,736
Total Operating Expenses	16,496,235	6,691,713	3,487,446	26,675,394	6,175,352	2,257,659	8,433,011	35,108,405
Net periodic benefit cost and postretirement benefit less service costs	11,830	5,915	2,315	20,060	3,857	1,800	5,657	25,717
Total Expenses	<u>\$ 16,508,065</u>	<u>\$ 6,697,628</u>	<u>\$ 3,489,761</u>	<u>\$ 26,695,454</u>	<u>\$ 6,179,209</u>	<u>\$ 2,259,459</u>	<u>\$ 8,438,668</u>	<u>\$ 35,134,122</u>

Guttmacher Institute, Inc.
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Activities		
Change in net assets	\$ 3,716,519	\$ (7,589,148)
Items not requiring (providing) operating cash flows		
Depreciation and amortization	829,178	704,736
Amortization of debt issuance costs (included in interest expense)	8,519	9,300
Net realized and unrealized losses (gains) on investments	(2,806,989)	(2,512,141)
Changes in discount on long-term receivables	-	196,101
Noncash operating lease expense	744,142	729,675
Changes in		
Grants receivable	(3,036,533)	(2,682,941)
Other receivables	(139,576)	11,326
Prepaid expenses and other assets	(149,602)	225,570
Accounts payable and accrued expenses	243,543	190,626
Postretirement benefits payable	(44,904)	(40,358)
Operating lease liability	<u>(806,503)</u>	<u>(762,382)</u>
Net Cash Used in Operating Activities	<u>(1,442,206)</u>	<u>(11,519,636)</u>
Investing Activities		
Purchase of fixed assets	(123,992)	(331,897)
Proceeds from sales of investments	27,227,275	40,700,303
Purchases of investments	<u>(20,821,238)</u>	<u>(27,292,650)</u>
Net Cash Provided by Investing Activities	<u>6,282,045</u>	<u>13,075,756</u>
Financing Activities		
Repayment of loans	<u>(536,304)</u>	<u>(524,908)</u>
Net Cash Used in Financing Activities	<u>(536,304)</u>	<u>(524,908)</u>
Net Change in Cash and Cash Equivalents	4,303,535	1,031,212
Cash and Cash Equivalents, Beginning of Year	<u>5,184,007</u>	<u>4,152,795</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,487,542</u>	<u>\$ 5,184,007</u>
Supplemental Cash Flows Information		
Interest paid	\$ 128,659	\$ 140,055

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Guttmacher Institute, Inc. (the Institute), incorporated in New York in 1977, with offices in New York City and Washington, D.C., advances sexual and reproductive health in the United States and worldwide through an interrelated program of social science research, policy analysis, and public education. The Institute conducts its activities through revenue generated from grants.

The Institute is a not-for-profit, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Institute considers all highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents, except for money market accounts included in the Institute's investment portfolio.

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient. Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification.

Investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Institute maintains some pooled investment accounts for its donor restricted and board-designated/director endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Allowance for Doubtful Accounts

The Institute determines whether an allowance for uncollectibles should be provided for grants receivable and other receivables. Such estimates are based on management's assessment of the aged basis of its sources, current economic conditions, subsequent receipts, and historical information. Grants receivable and other receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. If no allowance is established, then the receivable is written off directly as bad debt. Interest is not charged on outstanding receivables. As of December 31, 2025 and 2024, the Institute had no allowance for doubtful accounts.

Property and Equipment

Property and equipment are reported at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. The Institute capitalizes all property and equipment having a cost in excess of \$1,000 and a useful life of greater than one year. Leasehold improvements are amortized on the straight-line basis over the lesser of their useful lives or the term of the lease.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Commercial condominium	40 years
Furniture and fixtures	3 to 10 years
Computer hardware and software	3 to 5 years
Leasehold improvements	10 years

Long-Lived Asset Impairment

The Institute evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2025 and 2024.

Debt Issuance Costs

Debt issuance costs are reflected as a reduction of the carrying amount of the related debt and are amortized using the effective interest rate over the life of the associated debt. Amortization of debt issuance costs is included in interest expense.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that corpus be maintained in perpetuity.

Contributions

Contributions are provided to the Institute either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Institute overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction. Support funded by grants is recognized as the Institute meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Conditional contributions and grants having donor or grantor stipulations which are satisfied in the period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Government Grants

Support funded by grants is recognized as the Institute meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by granting agencies and, as a result of such audit, adjustments could be required.

When a donor-stipulated grant condition is met and any accompanied time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general, and fundraising categories based on the number of employees and other methods.

Leases

The Institute determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Institute determines lease classification as operating or finance at the lease commencement date.

The Institute combines lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office buildings. At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Institute has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Institute is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Institute has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Measure of Operations

The Institute includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities and excludes adjustment to minimum postretirement benefit liability, net periodic benefit cost and postretirement benefit less service costs, and net investment return earned on donor endowment and board-designated endowment funds from its measure of operations.

Exchange Rates

Non-U.S. assets are remeasured into U.S. dollars at year-end exchange rates. Revenues are recorded at approximate rates prevailing at the time of the transaction.

Income Taxes

The Institute is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Institute is subject to federal income tax on any unrelated business taxable income.

Revisions

Certain immaterial revisions have been made to the 2024 financial statements to reclassify grants receivable between amounts due within one year and one to five years and to clarify the discount rate applied to long-term

grants receivable. These revisions did not impact total grants receivable, net of discounts, or the statements of activities.

Note 2. Grant Reimbursements Receivable and Future Commitments

The Institute receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of the Institute are prepared on the accrual basis, all earned portions of the grants not yet received as of December 31, 2025, have been recorded as receivables. The conditional amounts will be considered unconditional and recorded as grant revenues when the Institute incurs qualifying expenses.

As of December 31, 2025, the Institute had conditional grant commitments totaling \$7,330,553, with conditions that must be met before revenue can be recognized in accordance with applicable accounting standards. Of this amount, \$2,104,289 was recognized as grant revenue in prior years upon satisfaction of the related conditions, and an additional \$1,965,099 was recognized during the year ended December 31, 2025. The remaining unearned balance of \$3,261,164 is available for future periods, contingent upon incurring qualifying expenses.

Note 3. Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Guttmacher Institute, Inc.
Notes to Financial Statements
December 31, 2025 and 2024

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2025 and 2024:

		2025	
		Fair Value Measurement Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
	Total		
Assets			
Investments			
Stock, common shares	\$ 3,485,444	\$ 3,485,444	\$ -
Open-end mutual funds	11,962,326	11,962,326	-
Alternative mutual funds	1,986,198	1,986,198	-
Exchange traded funds	10,113,289	10,113,289	-
Real estate investment trusts	10,179	10,179	-
Corporate debt	4,136,407	3,659,173	477,234
Certificates of deposit	251,318	-	251,318
Municipal bonds	200,368	-	200,368
Total investments	32,145,529	<u>\$ 31,216,609</u>	<u>\$ 928,920</u>
Money market accounts	<u>6,723,970</u>		
Total investments	<u>\$ 38,869,499</u>		

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		2024	
		Fair Value Measurement Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
	Total		
Assets			
Investments			
Stock, common shares	\$ 2,964,720	\$ 2,964,720	\$ -
Open-end mutual funds	9,959,286	9,959,286	-
Alternative mutual funds	1,743,632	1,743,632	-
Exchange traded funds	8,724,348	8,724,348	-
Real estate investment trusts	12,925	12,925	-
Corporate debt	11,262,026	9,416,068	1,845,958
Certificates of deposit	402,707	-	402,707
U.S. Government securities	1,693,525	1,344,300	349,225
Total investments	36,763,169	<u>\$ 34,165,279</u>	<u>\$ 2,597,890</u>
Money market accounts	<u>5,705,378</u>		
Total investments	<u>\$ 42,468,547</u>		

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2025 and 2024. The Institute does not have any assets classified within Level 3 of the fair value hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

Note 4. Grants Receivable

As of December 31, 2025 and 2024, grants receivable consisted of the following:

	<u>2025</u>	<u>2024</u>
Due within one year	\$ 7,166,292	\$ 2,701,262
Due in one to five years	<u>750,000</u>	<u>2,303,120</u>
Total	7,916,292	5,004,382
Less discount to present value	<u>(74,531)</u>	<u>(199,154)</u>
Net	<u><u>\$ 7,841,761</u></u>	<u><u>\$ 4,805,228</u></u>

The discount rate in 2025 and 2024 ranged from 4.1% to 4.6%.

Note 5. Property and Equipment

Property and equipment at December 31, 2025 and 2024, consist of:

	<u>2025</u>	<u>2024</u>
Commercial condominium	\$ 11,966,673	\$ 11,966,673
Furniture and fixtures	2,215,127	2,215,127
Computer hardware & Software	3,964,423	3,840,432
Leasehold improvements	<u>2,621,547</u>	<u>2,621,547</u>
Total cost	20,767,770	20,643,779
Less accumulated depreciation and amortization	<u>(13,474,159)</u>	<u>(12,644,982)</u>
Net book value	<u><u>\$ 7,293,611</u></u>	<u><u>\$ 7,998,797</u></u>

Note 6. Loans Payable and New York City Industrial Development Agency Bonds

In May 2007, the Institute borrowed \$11,000,000 through the issuance of two Civic Facility Revenue Bonds, Series 2007 (the bonds) by the New York City Industrial Development Agency (IDA) to finance the acquisition of office space to be used as the Institute's place of operations. Series 2007A matured on December 1, 2016.

On September 8, 2020, the Institute refinanced the Series 2007B bonds with Chase Bank. The new loan total refinanced is \$8,550,000 due on or before September 8, 2035. The new financing has a fixed interest rate of 2.050%. The loan agreement contained a financial covenant requiring that at any fiscal year-end, the two-year average of the debt service ratio must be greater than 1.20 to 1.00. In January 2026, the loan agreement was

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amended to replace the existing financial covenant with a requirement that unrestricted cash and investments, at all times, equal at least 200% of the funded debt balance.

The unamortized debt issuance cost was \$38,747 and \$47,266 as of December 31, 2025 and 2024, respectively.

Interest expense was \$137,178 and \$149,355 for the years ended December 31, 2025 and 2024, respectively, which includes amortization of debt issuance costs of \$8,519 and \$9,300, respectively.

Future minimum payments are as follows:

Year Ending December 31

2026	\$	664,963
2027		664,963
2028		664,963
2029		664,963
2030		664,963
Thereafter		<u>3,158,576</u>
		6,483,391
Less amounts representing interest		(628,677)
Less unamortized debt issuance costs		<u>(38,746)</u>
	\$	<u><u>5,815,968</u></u>

Note 7. Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31 are restricted for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purposes		
Research	\$ 13,307,815	\$ 7,111,365
Public education	2,171,582	2,343,557
Public policy	2,106,550	926,224
Other	<u>233,207</u>	<u>43,738</u>
	<u>17,819,154</u>	<u>10,424,884</u>
Subject to the passage of time		
Not restricted by donors but which are unavailable for expenditure until after year-end	<u>7,322,527</u>	<u>4,296,873</u>
Endowments		
Subject to the Institute's endowment spending policy and appropriation		
Restricted by donors	4,855,238	4,855,238
Earnings on endowment available for general use	<u>6,295,800</u>	<u>4,798,552</u>
	<u>11,151,038</u>	<u>9,653,790</u>
	<u><u>\$ 36,292,719</u></u>	<u><u>\$ 24,375,547</u></u>

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Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time and by incurring expenses satisfying the following:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purposes		
Research	\$ 8,530,959	\$ 7,481,591
Public education	2,490,674	1,554,577
Public policy	1,323,271	1,007,310
Other	167,661	91,932
	<u>12,512,565</u>	<u>10,135,410</u>
Subject to the passage of time		
Promises to give that are not restricted by donors but which are unavailable for expenditure until after year-end	1,250,000	1,245,350
Earnings appropriated for expenditure	<u>-</u>	<u>276,827</u>
	<u>1,250,000</u>	<u>1,522,177</u>
	<u>\$ 13,762,565</u>	<u>\$ 11,657,587</u>

Note 8. Employee Benefit Plans

401(k) Plan

The Institute maintains a defined-contribution retirement plan established under Section 401(k) of the Internal Revenue Code that covers substantially all employees, each of whom must meet certain eligibility requirements as to length of service. For the years ended December 31, 2025 and 2024, the Institute's expense related to contributions to the 401(k) plan was \$1,435,993 and \$1,475,158, respectively.

Deferred Compensation Plan

In April 2004, the Institute established a deferred compensation plan under Section 457(b) of the Internal Revenue Code for certain eligible employees, defined by the Institute as its executive team. Under the terms of the 457(b) plan, eligible employees may contribute amounts through a salary-reduction agreement. This is employee funded and the Institute does not contribute to this plan.

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Employee Postretirement Benefit Plan

The Institute currently offers eligible retirees the opportunity to participate in a medical plan. Substantially all employees may become eligible for these benefits provided that the employee was 65 years of age and has at least 10 consecutive full years of service prior to retirement. The following table sets forth the plan's unfunded status and amounts recognized in the statements of financial position at December 31:

	<u>2025</u>	<u>2024</u>
Accumulated postretirement benefit obligation	\$ (457,149)	\$ (502,053)
Funded status	<u>\$ (457,149)</u>	<u>\$ (502,053)</u>
Liabilities recognized in the statements of financial position	\$ 457,149	\$ 502,053
Net periodic postretirement benefit cost	54,578	59,008
Employer contributions and benefits paid	13,640	10,952
Cumulative amounts recognized within net assets not yet recognized as components of net periodic benefit cost consist of		
Net gain	\$ (676,269)	\$ (608,035)
Prior service cost	<u>282,163</u>	<u>299,771</u>
	<u>\$ (394,106)</u>	<u>\$ (308,264)</u>

Other changes in benefit obligations recognized in change in net assets:

	<u>2025</u>	<u>2024</u>
Amounts arising during the period		
Net prior services cost	\$ 17,608	\$ 17,608
Amounts reclassified as components of net periodic benefit cost of the period		
Net gain	(89,939)	(88,895)

The estimated net gain, prior service cost for the defined benefit pension plans that will be amortized into net periodic benefit cost over the next fiscal year in 2026 and 2025 is \$24,440 and \$21,705, respectively.

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Significant assumptions include:

	<u>2025</u>	<u>2024</u>
Weighted average assumptions to determine benefit costs		
Discount rate	5.54%	4.83%
Expected return on plan assets	N/A	N/A
Health cost trend rate	2.25%	2.25%
Weighted average assumptions used to determine benefit obligations		
Discount rate	5.61%	5.54%
Rate of compensation increase	2.25%	2.25%

The weighted average annual assumed rate of increase in the per capita cost of covered benefits (*i.e.*, health care cost trend rate) is 2.25% for 2025 and 2024 and is based on the Consumer Price Index. The health care cost trend rate assumption has a significant effect on the amounts reported.

The Institute's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the Institute may determine to be appropriate from time to time.

The following benefit payments, which reflect expected future service, are expected to be paid as follows:

2026	\$ 17,000
2027	19,000
2028	20,000
2029	21,000
2030	22,000
2031 through 2034	<u>129,000</u>
Total	<u><u>\$ 228,000</u></u>

Note 9. Contingencies

Government-funded activities are subject to audit by the applicable granting agencies. No such audits had been undertaken at the Institute, and management has no reason to believe that unaudited projects would result in any material obligations for the years then ended December 31, 2025 and 2024.

The Institute has a noncontributory, defined-benefit postretirement health plan whereby it agrees to provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date based on the projected unit credit cost method. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term.

The Institute invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

The Institute is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets, and cash flows of the Institute. Events could occur that would change this estimate materially in the near term.

Note 10. Concentrations

Financial instruments that potentially subject the Institute to concentrations of credit risk consist principally of cash and cash equivalent accounts deposited in financial institutions, the balances of which, from time to time, may exceed federal insurance limits. As of December 31, 2025, cash balance held over the federal insurance limit of \$250,000 was approximately \$9.2 million.

For the year ended December 31, 2025, approximately 76% of the Institute's support came from four funders. For the year ended December 31, 2024, approximately 82% of the Institute's support came from four funders.

Additionally, at December 31, 2025 and 2024, approximately 80% and 86%, respectively, of grants receivable were due from two funders.

Note 11. Leases

Nature of Leases

The Institute leases office space in New York City and Washington, DC under noncancelable operating leases. The leases terminate on various dates through June 1, 2030. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

Quantitative Disclosures

The lease cost and other required information for the years ended December 31, 2025 and 2024, are:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 865,728	\$ 916,343
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 869,835	\$ 869,510
Weighted-average remaining lease term		
Operating leases	4 years	4 years
Weighted-average discount rate		
Operating leases	2.03%	1.86%

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Future minimum lease payments and reconciliation to the statements of financial position at December 31, 2025, are as follows:

	Operating Leases
2026	\$ 921,093
2027	616,701
2028	566,824
2029	580,994
2030	465,768
Total future undiscounted lease payments	3,151,380
Less amount representing interest	<u>(132,878)</u>
Lease liabilities	<u><u>\$ 3,018,502</u></u>

Note 12. Endowment Funds

General

The Institute maintains a donor-restricted and board-designated/director endowment. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Additionally, in accordance with the *New York Prudent Management of Institutional Funds Act* (NYPMIFA), the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Institute and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Institute
7. Where appropriate and where circumstances would otherwise warrant alternatives to expenditure of the endowment fund, given due consideration to the effect that such alternatives may have on the Institute
8. Investment policies of the Institute

Interpretation of Relevant Law

The Board of Directors of the Institute has adopted NYPMIFA. NYPMIFA moves away from the “historic dollar value” standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. The Institute is governed by the NYPMIFA spending policy, which establishes a standard maximum prudent spending limit of 7%. As a result of this interpretation, the Institute classifies as perpetually restricted net assets (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standards of prudence prescribed by NYPMIFA.

Return Objectives and Risk Parameters

The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce acceptable rates of return, with a moderate level of investment risk.

Strategies Employed for Achieving Objectives

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

Spending Policy

The Institute has a policy for appropriating for distribution each year, depending on fiscal need, up to 5% of certain donor-restricted endowments’ average fair value over the prior 12 quarters through the year-end preceding the year in which the distribution is planned. During 2025 and 2024, the Institute’s Board of Directors approved an appropriation of 3% of the average fair value of the funds for distribution.

Funds With Deficiencies

The Institute does not have any funds with deficiencies.

Endowment Net Asset Composition by Type of Fund

The composition of net assets by type of endowment fund at December 31, 2025 and 2024, was:

	<u>2025</u>	<u>2024</u>
	<u>With Donor Restrictions</u>	
Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 4,855,238	\$ 4,855,238
Accumulated investment gains	<u>6,295,800</u>	<u>4,798,552</u>
Total endowment funds	<u>\$ 11,151,038</u>	<u>\$ 9,653,790</u>

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Change in endowment net assets for the years ended December 31, 2025 and 2024, was:

	<u>2025</u>	<u>2024</u>
	<u>With Donor Restrictions</u>	
Endowment net assets, beginning of year	\$ 9,653,790	\$ 8,791,550
Investment return, net	1,497,248	1,139,067
Amounts appropriated for expenditure	<u>-</u>	<u>(276,827)</u>
Endowment net assets, end of year	<u>\$ 11,151,038</u>	<u>\$ 9,653,790</u>

In 2025 and 2024, there were no appropriations released from the board-designated/director endowment.

	<u>2025</u>	<u>2024</u>
	<u>Board Designated/Director</u>	
Net assets, beginning of the year	\$ 13,147,674	\$ 11,553,774
Investment return, net	<u>1,762,977</u>	<u>1,593,900</u>
Net assets, end of the year	<u>\$ 14,910,651</u>	<u>\$ 13,147,674</u>

Note 13. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2025 and 2024, comprise the following:

	<u>2025</u>	<u>2024</u>
Financial assets		
Cash and cash equivalents	\$ 9,487,542	\$ 5,184,007
Investments	38,869,499	42,468,547
Grants receivable, net	7,841,761	4,805,228
Other receivable	<u>645,463</u>	<u>505,887</u>
Total financial assets	56,844,265	52,963,669
Donor-imposed restrictions		
Restricted funds	(17,819,154)	(10,424,884)
Endowments and accumulated investment gain	<u>(11,151,038)</u>	<u>(9,653,790)</u>
Financial assets after deduction of donor-imposed restrictions	27,874,073	32,884,995
Internal designations		
Board-designated funds	<u>(14,910,651)</u>	<u>(13,147,674)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,963,422</u>	<u>\$ 19,737,321</u>

The Institute receives significant contributions restricted by donors for programmatic purposes and has deducted those amounts which their purposes have not yet been satisfied from financial assets available to meet cash needs for general expenditure. Additionally, it does not consider its donor endowment or board-designated funds to be available for general expenditure until they have been appropriated for expenditure and therefore has also deducted these amounts from financial assets available to meet cash needs for general expenditure.

At December 31, 2025 and 2024, the balance of the donor-restricted endowment is not available for general expenditure. Appropriations from donor-restricted endowments is subject to an annual spending rate of 3% as described in Note 12.

As of December 31, 2025 and 2024, the Institute's internal designations comprise of board-designated funds of \$14,910,651 and \$13,147,674, respectively, subject to prior approval by the Board can be redesignated for general operating use. The Institute does not intend to spend its board-designated fund (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation); however, these amounts could be made available if necessary.

The Institute manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Note 14. Subsequent Events

Subsequent events were evaluated through June 29, 2026, which is the date the financial statements were available to be issued.