

THE PENNSYLVANIA SOCIETY

FINANCIAL STATEMENTS

(AND INDEPENDENT AUDITOR'S REPORT)

YEARS ENDED JUNE 30, 2025 AND 2024



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Independent Auditor's Report

To the Council Members of
The Pennsylvania Society
Willow Grove, Pennsylvania

Opinion

We have audited the accompanying financial statements of The Pennsylvania Society (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 financial statements referred to above present fairly, in all material respects, the financial position of The Pennsylvania Society as of June 30, 2025, and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Pennsylvania Society 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 The Pennsylvania Society's ability to continue as a going concern within one year after the date that the 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Pennsylvania Society'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 The Pennsylvania Society'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.

I. Isdamer & Company, LLC

November 4, 2025

 ISDANER & COMPANY_{LLC}

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THE PENNSYLVANIA SOCIETY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	ASSETS	2025	2024
		<u> </u>	<u> </u>
Cash		\$ 968,534	\$ 815,470
Contributions receivable		-	10,099
Prepaid expenses and other		280,036	9,258
Equipment, net		<u>6,785</u>	<u>7,939</u>
		<u>\$ 1,255,355</u>	<u>\$ 842,766</u>
 LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued expenses		\$ 7,821	\$ 14,509
Net assets:			
Without donor restriction		1,067,534	828,257
With donor restrictions		<u>180,000</u>	<u>-</u>
		<u>1,247,534</u>	<u>828,257</u>
		<u>\$ 1,255,355</u>	<u>\$ 842,766</u>

The accompanying notes are an integral part of these statements.

THE PENNSYLVANIA SOCIETY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:						
Annual dinner event	\$ 1,014,431	\$ 150,000	\$ 1,164,431	\$ 975,571	\$ -	\$ 975,571
Annual meeting and reception	50,330	20,000	70,330	46,224	-	46,224
Commonwealth events	11,127	10,000	21,127	102,768	-	102,768
Less direct costs of special events	(594,794)	-	(594,794)	(650,702)	-	(650,702)
Membership dues	238,285	-	238,285	201,810	-	201,810
General donations	22,561	-	22,561	6,500	-	6,500
Interest income	17,212	-	17,212	20,568	-	20,568
	<u>759,152</u>	<u>180,000</u>	<u>939,152</u>	<u>702,739</u>	<u>-</u>	<u>702,739</u>
Expenses:						
Program	306,810	-	306,810	377,735	-	377,735
Management and general	169,602	-	169,602	201,196	-	201,196
Fundraising	43,463	-	43,463	51,545	-	51,545
	<u>519,875</u>	<u>-</u>	<u>519,875</u>	<u>630,476</u>	<u>-</u>	<u>630,476</u>
Change in net assets	239,277	180,000	419,277	72,263	-	72,263
Net assets at beginning of year	<u>828,257</u>	<u>-</u>	<u>828,257</u>	<u>755,994</u>	<u>-</u>	<u>755,994</u>
Net assets at end of year	<u>\$ 1,067,534</u>	<u>\$ 180,000</u>	<u>\$ 1,247,534</u>	<u>\$ 828,257</u>	<u>\$ -</u>	<u>\$ 828,257</u>

The accompanying notes are an integral part of these statements.

THE PENNSYLVANIA SOCIETY
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025				2024			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries	\$ 164,055	\$ 76,795	\$ 26,761	\$ 267,611	\$ 192,161	\$ 90,179	\$ 30,846	\$ 313,186
Payroll taxes	12,758	5,972	2,081	20,811	13,565	6,366	2,178	22,109
Employee benefits	50,960	23,855	8,313	83,128	45,919	21,549	7,371	74,839
Total salaries and related benefits	<u>227,773</u>	<u>106,622</u>	<u>37,155</u>	<u>371,550</u>	<u>251,645</u>	<u>118,094</u>	<u>40,395</u>	<u>410,134</u>
Annual dinner	555,788	-	-	555,788	557,711	-	-	557,711
Annual meeting and reception	22,393	-	-	22,393	18,125	-	-	18,125
Commonwealth events	16,613	-	-	16,613	74,866	-	-	74,866
Depreciation	-	1,154	-	1,154	-	758	-	758
Grants and awards	37,683	-	-	37,683	37,743	-	-	37,743
Membership	2,684	-	-	2,684	18,892	-	-	18,892
Office costs and other	38,670	18,101	6,308	63,079	63,430	29,767	10,182	103,379
Professional fees	-	43,725	-	43,725	-	49,750	-	49,750
Rent	-	-	-	-	6,025	2,827	968	9,820
Total before direct costs of special events	<u>901,604</u>	<u>169,602</u>	<u>43,463</u>	<u>1,114,669</u>	<u>1,028,437</u>	<u>201,196</u>	<u>51,545</u>	<u>1,281,178</u>
Direct costs of special events	<u>(594,794)</u>	<u>-</u>	<u>-</u>	<u>(594,794)</u>	<u>(650,702)</u>	<u>-</u>	<u>-</u>	<u>(650,702)</u>
Total expenses reported by function in the statements of activities	<u>\$ 306,810</u>	<u>\$ 169,602</u>	<u>\$ 43,463</u>	<u>\$ 519,875</u>	<u>\$ 377,735</u>	<u>\$ 201,196</u>	<u>\$ 51,545</u>	<u>\$ 630,476</u>

The accompanying notes are an integral part of these statements.

THE PENNSYLVANIA SOCIETY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 419,277	\$ 72,263
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,154	758
Changes in operating assets and liabilities:		
Contributions receivable	10,099	(10,099)
Grants receivable	-	51,616
Prepaid expenses and other	(270,778)	(4,840)
Accounts payable and accrued expenses	<u>(6,688)</u>	<u>4,277</u>
Net cash provided by operating activities	<u>153,064</u>	<u>113,975</u>
Cash flows from investing activities:		
Purchase of equipment	<u>-</u>	<u>(5,946)</u>
Net cash used in investing activities	<u>-</u>	<u>(5,946)</u>
Net increase in cash	153,064	108,029
Cash at beginning of year	<u>815,470</u>	<u>707,441</u>
Cash at end of year	<u><u>\$ 968,534</u></u>	<u><u>\$ 815,470</u></u>

The accompanying notes are an integral part of these statements.

THE PENNSYLVANIA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

(1) NATURE OF ACTIVITIES

The Pennsylvania Society (the “Society”) was founded in 1899 and incorporated in 1903 under the laws of the Commonwealth of Pennsylvania. Its purpose is to honor achievement, to reward excellence, to promote goodwill and understanding, and to celebrate service to the Commonwealth of Pennsylvania and to humanity in general. The Society sponsors historical and social functions, bringing together its members and friends to remind them of Pennsylvania’s vital and long-standing leadership in the economic and industrial life of the nation.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual basis of accounting. In accordance with the provisions of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, *Not-for-Profit Entities*, the Society distinguishes between net assets with donor restrictions and net assets without donor restrictions, based upon the existence or absence of donor-imposed restrictions, as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. These net assets are available to support the Society’s activities and operations at the discretion of the Council Members. Donor-restricted contributions whose restrictions are met in the same reporting period are classified as net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be satisfied by actions of the Society and/or the passage of time. When a restriction is satisfied, 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. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. The Society did not have any net assets to be held in perpetuity as of June 30, 2025 or 2024.

In-kind Contributions

In-kind contributions are recognized in the financial statements if the services or goods received enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donation. For the year ended June 30, 2025, contributed services totaled \$5,130 and are included in general donations as well as program services expenses on the statement of activities. There were no such contributions for the year ended June 30, 2024.

THE PENNSYLVANIA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

Revenue Recognition

The Society derives revenues from special events and membership dues. Special events include an annual dinner, annual meeting and reception, and commonwealth events held throughout the year.

Revenue from such events is recognized in the period the events take place.

Revenue from membership dues, including lifetime membership dues, is recognized when received based on the determination that the future costs of providing membership benefits will be covered by event fees and other sources of revenue.

Contributions received, both general donations and special event support, as well as promises to give are reported as increases in net assets with or without restrictions, depending on the existence and/or nature of any donor restrictions.

Cash

The Society maintains cash balances with financial institutions insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. On June 30, 2025 and 2024, the Society's uninsured cash balances were \$718,538 and \$562,669, respectively. No losses have been incurred to date.

Equipment and Depreciation

Equipment is recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets which range from five to ten years.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation to program, management and general, and fundraising is based on the estimated activities of personnel and the usage of materials and services.

Income Taxes

The Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Pursuant to FASB ASC Topic 740, *Income Taxes*, the Society recognizes tax benefits only if it is more likely than not that a tax position will be sustained upon examination (including the Society's assertion that its income is exempt from tax). No liability for uncertain tax positions was recorded as of June 30, 2025 or 2024.

THE PENNSYLVANIA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

Reclassifications

Certain prior year balances have been reclassified to conform with the current year presentation.

Subsequent Events

Management has evaluated subsequent events through November 4, 2025, which is the date the financial statements were available to be issued.

(3) LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position comprise the following as of June 30, 2025:

Cash	\$ 968,534
Less funds unavailable for general expenditures within one year due to donor-imposed restrictions	<u>(180,000)</u>
	<u><u>\$ 788,534</u></u>

As part of its liquidity management plan, the Society has a goal to maintain financial assets, which consist of cash and receivables, on hand to meet normal operating expenses.

(4) LEASE COMMITMENT

The Society leased office space under an operating lease which expired on December 31, 2023. The lease agreement was amended effective January 1, 2024, allowing for month-to-month payments of \$1,125 that expired on March 31, 2024, and was not renewed. Effective April 1, 2024, both of the Society's employees transitioned to remote work, eliminating the need for leased office space. Rent expense totaled \$9,820 for the year ended June 30, 2024. There was no rent expense for the year ended June 30, 2025.

(5) RETIREMENT PLAN

The Society sponsors a qualified tax deferred employee savings plan covering all eligible employees, as defined, under Section 401(k) of the Internal Revenue Code. Per the Plan document, employer matching contributions are equal to 100% of the elective employee deferral, not to exceed 6% of the employee's compensation. Matching contributions totaled \$14,924 and \$16,072 for the years ended June 30, 2025 and 2024, respectively.

THE PENNSYLVANIA SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

(6) RELATED PARTY TRANSACTIONS

Contributions and contributions receivable from Society Council Members at June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Contribution revenue	\$ 538,590	\$ 361,667
Contributions receivable	-	10,099

(7) NET ASSETS WITH DONOR RESTRICTIONS

During fiscal year 2025, the Society offered annual sponsorships to honor past presidents of the Society. A sponsorship for \$80,000 was received in honor of the second president of the Society, Robert Curtis Ogden, and will be used to support fiscal year 2026 events. In addition, two \$50,000 donor restricted contributions were received that will be used to support the 2026 annual dinner. These contributions have been included in the statements of activities as donor restricted revenue for the year ended June 30, 2025.