

The National Youth Science Foundation, Inc.

**Independent Auditors' Report
and
Financial Statements**

September 30, 2023

The National Youth Science Foundation, Inc.

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Independent Auditors' Report

To the Board of Trustees
National Youth Science Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of National Youth Science Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Youth Science Foundation, Inc. as of September 30, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 National Youth Science Foundation, 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 opinions.

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 National Youth Science Foundation, Inc.'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 and *Government 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 and *Government 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 National Youth Science Foundation, 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 National Youth Science Foundation, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of state awards on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2025, on our consideration of National Youth Science Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of National Youth Science Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Youth Science Foundation, Inc.'s internal control over financial reporting and compliance.



Charleston, West Virginia
January 30, 2025

The National Youth Science Foundation, Inc.

Statement of Financial Position

September 30, 2023

Assets

Cash and cash equivalents	\$ 1,171,534
Grant Receivable	130,000
Accounts receivable-ERC/other	23,856
Cash restricted to building of camp facilities	27,700
Investments	608,133
Property and equipment	<u>10,560,667</u>

Total Assets \$12,521,890

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 28,697
Accrued liabilities and taxes	6,103
Refundable advance	<u>9,927,700</u>

Total Liabilities 9,962,500

Net Assets

Without donor restrictions	1,892,473
With donor restrictions	<u>666,917</u>

Total Net Assets 2,559,390

Total Liabilities and Net Assets \$12,521,890

See notes to financial statements.

The National Youth Science Foundation, Inc.

Statement of Activities

For the Year Ended September 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenue			
Contributions – individuals	\$ 34,037	\$577,863	\$ 611,900
Contributions - governmental	119,563	651,215	770,778
Contributions - corporate	2,633	129,845	132,478
Contributions - exempt	3,018	104,570	107,588
Other	7,192	18,852	26,044
Interest and investment income (loss) net	49,387	27,564	76,951
Net assets released from restriction	<u>1,500,108</u>	<u>(1,500,108)</u>	<u>-0-</u>
Total Public Support and Revenue	<u>1,715,938</u>	<u>9,801</u>	<u>1,725,739</u>
Expenses			
Program expenses	1,459,495	-0-	1,459,495
Supporting services	<u>231,074</u>	<u>-0-</u>	<u>231,074</u>
Total Expenses	<u>1,690,569</u>	<u>-0-</u>	<u>1,690,569</u>
Change in Net Assets	25,369	9,801	35,170
Net Assets, Beginning of Year	<u>1,867,104</u>	<u>657,116</u>	<u>2,524,220</u>
Net Assets, End of Year	<u>\$1,892,473</u>	<u>\$666,917</u>	<u>\$2,559,390</u>

See notes to financial statements.

The National Youth Science Foundation, Inc.

Statement of Functional Expenses

For the Year Ended September 30, 2023

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
Personnel and related taxes	\$ 415,354	\$ 88,714	\$ 504,068
Payroll benefits	49,638	16,526	66,164
Rent	75	13,750	13,825
Utilities	78,658	-0-	78,658
Vehicle rent and fuel	12,140	3,857	15,997
Participant travel	154,668	-0-	154,668
Guest travel	17,666	1,162	18,828
Staff travel	61,409	11,778	73,187
Material and supplies	109,022	9,980	119,002
Special events	100	366	466
Telephone and data services	8,329	11,472	19,801
Postage	307	2,821	3,128
Laundry and linens	7,225	-0-	7,225
Insurance	50,124	-0-	50,124
Professional services/operational services	92,749	33,320	126,069
Printing	620	688	1,308
Dues and subscriptions	7,215	13,699	20,914
Repairs and maintenance	209,375	-0-	209,375
Speakers expense	146,238	12,487	158,725
Equipment	2,217	10,454	12,671
Other expenses	36,366	-0-	36,366
Total Expenses	<u>\$1,459,495</u>	<u>\$231,074</u>	<u>\$1,690,569</u>

See notes to financial statements.

The National Youth Science Foundation, Inc.

Statement of Cash Flows

For the Year Ended September 30, 2023

Cash Flows From Operating Activities

Change in net assets \$ 35,170

Adjustments to reconcile change in net assets to net
cash used in operating activities:

Depreciation -0-

Change in assets and liabilities:

Increase in grants/accounts receivable (73,677)

Increase in trade accounts payable 10,667

Decrease in accrued liabilities and taxes (5,565)

Decrease in grants receivable in advance (129,392)

Net Cash Used In Operating Activities (162,797)

Cash Flows From Investing Activities

Payments for property and equipment (219,999)

Change in long-term investments (26,946)

Net Cash Used in Investing Activities (246,945)

Cash Flows Used In Financing Activities -0-

Net Decrease in Cash and Cash Equivalents and Restricted Cash (409,742)

**Cash and Cash Equivalents and Restricted Cash,
Beginning of Year** 1,608,976

Cash and Cash Equivalents and Restricted Cash, End of Year \$1,199,234

Cash, cash equivalents and restricted cash are shown on the
Statement of Financial Position as follows:

Cash and cash equivalents \$1,171,534

Cash, restricted 27,700

\$1,199,234

See notes to financial statements.

The National Youth Science Foundation, Inc.

Notes to Financial Statements

September 30, 2023

Note A – Nature of Organization and Summary of Significant Accounting Policies

Organization and Nature of Activities – The National Youth Science Foundation, Inc. is a non-profit corporation organized under the laws of the State of West Virginia for the purpose of honoring excellence in science and encouraging thoughtful scientific leadership through a program of scientific lectures, hands-on research opportunities, and outdoor challenges. The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar sections of state statutes.

Basis of Accounting – The financial statements of the National Youth Science Foundation, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Classification of Support – The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 on the statement of activities as net assets released from restrictions.

The net assets with donor restriction include, the Adler Fund, the Reserve Account Trust and various other funds. The Adler Funds is subject to restrictions of gift instruments which require that the principal be invested and that only 50% of the Adler endowment contribution and the income and losses from investments net of fees may be used for annual operation expenses of the National Youth Science Foundation, Inc. The Reserve Account Trust is subject to restrictions of gift instruments, which require the principle and 100% of contributions and the income and losses from investment, net of fees, be reinvested in the Reserve Account Trust until the account reaches \$550,000. Various other donor restricted net assets are the result of grants with time and/or purpose restrictions. Restrictions may be altered by a vote of the endowment contributors.

Concentration of Contributions or Grants – Approximately 48.54% of the Foundation's funding is provided from state and federal grants in the current year.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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.

The National Youth Science Foundation, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

Note A – Summary of Significant Accounting Policies (Continued)

Equipment – Expenditures for the acquisition of equipment are capitalized at cost. Depreciation is computed over the estimated useful lives of the assets utilizing various accelerated methods. The Foundation has a substantial amount of program and camp equipment on hand. This equipment was purchased at amounts below the Foundation's threshold for capitalization which approximate the federal limits; and, therefore, was expensed as purchased.

Functional expenses – Expenses are charged to each program based on direct expenditures incurred. Individual expenses not entirely attributable to either program services or supporting services are allocated between functions by percentages based on time analysis studies made by the management of the Foundation and various other methods.

Fundraising – Fundraising costs are included in Supporting Services. Total fundraising costs for the year were \$69,310.

Donated assets and services – A substantial number of volunteers have donated time to the Foundation's program and supporting services. No amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services.

Grants Receivable – Grants receivable represents the amount owed to the Foundation from grantors according to the grant agreements. No allowance for doubtful accounts is accrued based on historical experience.

Investments – The Foundation carries investments in mutual funds with readily determinable fair values at their fair values in the Statement of Financial Position. Quoted market prices are used to determine fair value of investments. The investment income (loss) net are included in the change in net assets in the accompanying Statement of Activities.

Policy of Cash Equivalents – For purposes of the statements of cash flows, the Foundation considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Restricted Cash – Restricted cash consist of balance resulting from donation receipts restricted for specific purposes

Income Taxes – The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation under Section 509(a)(2).

As of September 30, 2023, the tax years that remain subject to examination begin with the fiscal year ending September 30, 2023. Tax returns for fiscal years ending September 30, 2020, 2021, 2022, and 2023 remain open to examination by taxing authorities. Management believes that all positions taken in those returns would be sustained if examined by taxing authorities.

The National Youth Science Foundation, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

Note B – Advertising

The Foundation uses advertising to promote its programs to the audiences it services. The production cost of advertising is expensed as incurred. During 2023, advertising costs totaled \$-0-.

Note C – Property and Equipment

At September 30, 2023 the costs and related accumulated depreciation of property and equipment consisted of the following:

Land	\$ 438,634
Buildings	10,070,000
Equipment & trails	167,115
Vehicles	<u>153,762</u>
Construction in Progress	10,879,511
Less accumulated depreciation	<u>(318,844)</u>
	<u>\$10,560,667</u>

Depreciation expense for the year ended September 30, 2023 was \$-0-.

Note D – Investments

The Foundation held \$608,133 at September 30, 2023 in short-term money market funds and mutual funds that invests in treasury bonds and mutual funds which are stated at fair value based upon quoted market prices (Level 1) within the fair value measurement hierarchy. The investments at year-end are as follows:

	September 30, 2023		
	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Depreciation</u>
Investments:			
Endowment Fund – Adler	\$ 42,004	\$ 49,756	\$(7,752)
Reserve Account Trust	<u>566,129</u>	<u>566,129</u>	<u>-0-</u>
Total Investments	<u>\$608,133</u>	<u>\$615,885</u>	<u>\$(7,752)</u>

Following is a summary of income from investments for the year ended September 30, 2023:

Interest and dividends	\$26,147
Realized gain (loss)	1,891
Unrealized gain (loss)	<u>(1,091)</u>
	<u>\$26,947</u>

Note E – Concentration of Credit Risk

The Foundation receives a significant portion of its revenue from private contributions, federal and state grant programs. The ability of the federal and state governments and donors to continue funding the operations of the Foundation is dependent upon both future legislative appropriations and economic conditions.

The National Youth Science Foundation, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

Note E – Concentration of Credit Risk (Continued)

Additionally, the Foundation maintains most of its cash balances at various financial institutions in West Virginia. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution, the cash and cash equivalents exceeded federally insured limits by \$525,061, at September 30, 2023.

Note F – Grants Received in Advance & Refundable Advance

In a prior year, the Organization had restricted grants totaling \$129,392 that contained donor conditions. Since these grants represent conditional promises to give, they were not recorded as contribution revenue until donor conditions are met. This amount represents a grant in the amount of \$129,392 was received from the West Virginia State Department of Commerce for the 2020 National Youth Science Camp. All of the conditions were met in the current year and the revenue was reorganized.

During the year ended September 30, 2015 the foundation was able to acquire two buildings from the Canaan Valley Institute (CVI) which were constructed with money made available from the National Oceanic and Atmospheric Administration (NOAA). The transfer of the buildings had significant conditions which included a substantial escrow to be established, restrictions on the use of the building and encumbrance related to the disposal/mortgage of the building. Additionally, a revisionary interest is maintained by NOAA for 23 years from acquisition. Because of these conditions, the contribution will be reflected as a refundable advance until the conditions have been satisfied. The recorded value of the deferral from the transactions is \$9,900,000.

Note G – Net Assets

Net assets with donor restrictions consist of the following at September 30, 2023:

Net Assets with Donor Restrictions	
Hutchison Amphitheater	\$ 30,863
Adler Fund	9,121
Reserve Account Trust	566,129
Melissa Bucci Laue donation	
and other IYSC restrictions	60,804
Total Net Assets with Donor Restrictions	<u>\$666,917</u>

The National Youth Science Foundation, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

Note H – Endowment Funds

The National Youth Science Foundation's endowment includes one donor-restricted fund. As of September 30, 2023, there was \$9,121 in net assets with donor restrictions. In prior years these endowment funds were donor-restricted funds restricted to investment in perpetuity, and only half of the contributions and the income generated from the funds net of any investment fees are expendable to support the general purposes of the Foundation. In current year these endowment funds are broken down into two funds. The Adler Fund and the Reserve Account Trust. The Adler Fund will be handled as the previous endowment funds were handled. The Reserve Account Trust has additional restrictions set forth on the fund. The Reserve Account Trust was formed to set aside money to maintain the facility until the revisionary interest is released in the year 2039. The \$566,129 is set aside in net assets with donor restrictions until the restrictions are released in 2039.

The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the organization classified as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considered the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies – The Foundation has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets of the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are normally invested in a well diversified asset mix, which can include equity, debt securities, mutual funds and cash with allocations according to the advice provided by the investment advisors with the approval of the investment committee.

Spending Policy – The Foundation has a policy that no additional amounts will be expended from expendable portion of the endowment until the funds are needed to further the goals of the Foundation.

The National Youth Science Foundation, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

Note H – Endowment Funds (Continued)

The Reserve Account Trust will be used to keep the facility up to date, per the agreement with the NOAA. The amount will only be used for repairs and maintenance for the facility. To date no amounts have been spent from this trust account and the Fund is currently above the \$550,000 amount listed in the original agreement.

Endowment Net Asset Composition by Type of Fund as of September 30, 2023 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Donor restricted endowment funds	\$-0-	\$ 9,121	\$ 9,121
Reserve Account Trust	<u>-0-</u>	<u>566,129</u>	<u>566,129</u>
Total	<u>\$-0-</u>	<u>\$575,250</u>	<u>\$575,250</u>

Changes in the endowment net assets as of September 30, 2023 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$-0-	\$ 548,462	\$548,462
Contributions	-0-	-0-	-0-
Investment Gain (loss)	-0-	26,069	26,069
Net appreciation (depreciation)	-0-	719	719
Amounts appropriated for expenditure	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Endowment net assets, end of year	<u>\$-0-</u>	<u>\$575,250</u>	<u>\$575,250</u>

Note I – Subsequent Event

Subsequent events were evaluated through January 30, 2025 which is the date the financial statements were available to be issued. No other significant events were noted that would require disclosure.

The National Youth Science Foundation, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

Note J – Liquidity and Availability Assets

The following reflects the Organization's financial assets as of September 30, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position dated. Donor-restricted amounts that are available for use within one year for general purposes.

	<u>2023</u>
Cash and cash equivalents	\$ 1,171,534
Grant Receivable	130,000
Accounts receivable – ERC	23,856
Cash restricted to building of camp facilities	27,700
Investments	<u>608,133</u>
Financial assets at year-end	1,961,223
Less those unavailable for general expenditures within one year, due to:	
Donor-restricted to purchase of new facility	27,700
Donor-restricted to maintain as endowments	<u>575,250</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$1,358,273</u></u>

Supplementary Information

The National Youth Science Foundation, Inc.

Schedule of State Awards

Year Ended September 30, 2023

<u>Program/Grant Number</u>	<u>Department</u>	<u>9/30/2022 Deferred Revenue</u>	<u>Receipts</u>	<u>Expenses</u>	<u>9/30/2023 Deferred Revenue</u>
National Youth Science Camp					
2020	State of West Virginia West Virginia Development Office	\$129,392	\$ -0-	\$ 129,392	\$-0-
2022	West Virginia Department of Economic Development Office	-0-	241,570	241,570	-0-
GRTAWD 23*3004	West Virginia Department of Arts, Culture and History	-0-	100,000	100,000	-0-
ST23- 079304	West Virginia Department of Arts, Culture and History	<u>-0-</u>	<u>7,500</u>	<u>7,500</u>	<u>-0-</u>
Totals		<u>\$129,392</u>	<u>\$349,070</u>	<u>\$488,462</u>	<u>\$-0-</u>

See independent auditors' report.

**Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees of
National Youth Science Foundation, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The National Youth Science Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The National Youth Science Foundation, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The National Youth Science Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The National Youth Science Foundation, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

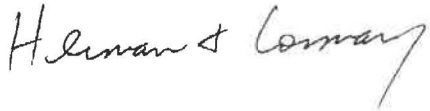
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National Youth Science Foundation, Inc.
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The National Youth Science Foundation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "Herman & Company".

Charleston, West Virginia
January 30, 2025