



SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Consolidated Financial Statements

December 31, 2025

(With summarized comparative financial information as of and
for the year ended December 31, 2024)

(With Independent Auditors' Report Thereon)



KPMG LLP
Two Manhattan West
375 9th Avenue, 17th Floor
New York, NY 10001

Independent Auditors' Report

The Board of Trustees
Save the Children Federation, Inc. and Related Entities:

Opinion

We have audited the consolidated financial statements of Save the Children Federation, Inc. and Related Entities (the Organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 18, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

New York, New York
June 4, 2026

SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Consolidated Statement of Financial Position

December 31, 2025

(With comparative financial information as of December 31, 2024)

(In thousands)

Assets	2025	2024
Cash and cash equivalents (note 14)	\$ 106,217	122,906
Grants and contracts receivable (notes 2(b), 2(c), and 14)	62,015	81,940
Contributions receivable, net (note 6)	26,512	27,698
Inventory	7,973	13,693
Due from Save the Children International, net (note 17)	25,082	28,884
Prepaid expenses and other assets (note 2(e))	7,093	9,322
Investments (notes 3 and 4)	207,521	206,366
Assets of pooled income fund and charitable gift annuities (notes 2(f) and 4)	3,518	3,078
Operating lease right-of-use assets, net (notes 2(m) and 12)	24,350	28,415
Property, plant and equipment, net (note 7)	13,959	16,039
Beneficial interests in perpetual trusts held by third parties (notes 4 and 11)	18,016	16,409
Total assets	\$ 502,256	554,750
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities (note 2(f))	\$ 37,496	66,096
Operating lease liabilities (notes 2(m) and 12)	26,363	31,404
Deferred revenue (notes 2(b), 2(c), and 14)	80,517	95,368
Postretirement benefits other than pensions (note 10)	4,310	4,496
Total liabilities	148,686	197,364
Commitments and contingencies (notes 2(b), 2(c), 3, 8, 9, 10, 13, and 14)		
Net assets:		
Without donor restrictions:		
Undesignated	11,165	(22,052)
Board-designated operating reserve (notes 2(c) and 16)	236	12,243
Board-designated endowment (notes 5 and 16)	129,276	123,431
Investment in property, plant, and equipment (note 7)	13,959	16,039
Total net assets without donor restrictions	154,636	129,661
With donor restrictions:		
Purpose restricted (notes 5 and 11)	126,617	158,123
Donor-restricted endowment corpus (notes 5, 11, and 16)	54,301	53,193
Beneficial interests in perpetual trusts held by third parties (notes 4 and 11)	18,016	16,409
Total net assets with donor restrictions	198,934	227,725
Total net assets	353,570	357,386
Total liabilities and net assets	\$ 502,256	554,750

See accompanying notes to consolidated financial statements.

SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Consolidated Statement of Activities

Year ended December 31, 2025

(With summarized comparative financial information for the year ended December 31, 2024)

(In thousands)

	2025			2024 Total
	Without donor restrictions	With donor restrictions	Total	
Operating revenue:				
Contributions of cash and other financial assets (note 2(e))	\$ 289,422	67,941	357,363	385,851
Contributions of non-financial assets (note 2(d))	—	25,798	25,798	41,658
U.S. government grants and contracts (note 14)	261,949	—	261,949	488,196
Sponsorships	—	12,905	12,905	33,168
Commodities and freight (notes 2(d) and 14)	6,934	—	6,934	15,349
Fee for service contracts	1,759	—	1,759	2,483
Bequests (note 2(c))	12,194	1,713	13,907	9,373
Net investment return appropriated for operations (notes 3 and 5)	7,587	2,296	9,883	9,643
Other	30	961	991	1,351
	<u>579,875</u>	<u>111,614</u>	<u>691,489</u>	<u>987,072</u>
Net assets released from restrictions	<u>143,027</u>	<u>(143,027)</u>	<u>—</u>	<u>—</u>
Total operating revenue	<u>722,902</u>	<u>(31,413)</u>	<u>691,489</u>	<u>987,072</u>
Operating expenses (note 2(g)):				
Program services:				
Program activities (note 15)	184,909	—	184,909	207,808
Program activities – Save the Children International (note 15)	354,979	—	354,979	547,992
Program development and public policy support	39,451	—	39,451	55,498
Total program services	<u>579,339</u>	<u>—</u>	<u>579,339</u>	<u>811,298</u>
Supporting services:				
Management and general	39,813	—	39,813	48,987
Management and general – Save the Children International	25,752	—	25,752	20,599
Fund-raising	75,495	—	75,495	76,465
Fund-raising – Save the Children International	5,212	—	5,212	4,449
Total supporting services	<u>146,272</u>	<u>—</u>	<u>146,272</u>	<u>150,500</u>
Total operating expenses	<u>725,611</u>	<u>—</u>	<u>725,611</u>	<u>961,798</u>
(Deficiency) excess of operating revenue over expenses before net transfers	(2,709)	(31,413)	(34,122)	25,274
Net transfers from non-operating revenue (note 2(c))	<u>31,400</u>	<u>—</u>	<u>31,400</u>	<u>3,800</u>
Excess (deficiency) of operating revenue over expenses	<u>28,691</u>	<u>(31,413)</u>	<u>(2,722)</u>	<u>29,074</u>
Nonoperating activities:				
Net investment return in excess (deficiency) of appropriated for operations	25,539	(2,160)	23,379	12,683
Foreign currency exchange gain (loss)	346	—	346	(229)
Endowment contributions and transfers	3	952	955	477
Transfers, net (note 2(c))	(31,400)	—	(31,400)	(3,800)
Contributions and changes in value of split-interest agreements	952	3,830	4,782	(122)
Post-retirement changes other than net periodic benefit costs (note 10)	816	—	816	390
Other (note 12)	28	—	28	24
Total nonoperating activities	<u>(3,716)</u>	<u>2,622</u>	<u>(1,094)</u>	<u>9,423</u>
Increase (decrease) in net assets	<u>24,975</u>	<u>(28,791)</u>	<u>(3,816)</u>	<u>38,497</u>
Net assets at beginning of year	<u>129,661</u>	<u>227,725</u>	<u>357,386</u>	<u>318,889</u>
Net assets at end of year	<u>\$ 154,636</u>	<u>198,934</u>	<u>353,570</u>	<u>357,386</u>

See accompanying notes to consolidated financial statements.

SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Consolidated Statement of Functional Expenses

Year ended December 31, 2025

(With summarized comparative financial information for the year ended December 31, 2024)

(In thousands)

	Program services			Supporting services			2025 Total	2024 Total
	Program activities (note 15)	Program development and public policy support	Total program services	Management and general	Fundraising	Total supporting services		
Salaries	\$ 62,737	17,183	79,920	18,809	19,772	38,581	118,501	141,380
Employee fringe benefits (notes 9 and 10)	21,227	5,123	26,350	7,130	6,659	13,789	40,139	42,916
Total salaries and related expenses	83,964	22,306	106,270	25,939	26,431	52,370	158,640	184,296
Grants to and charges from SCI	354,979	—	354,979	25,752	5,212	30,964	385,943	573,040
Grants to other agencies	59,625	266	59,891	1,199	2,464	3,663	63,554	79,089
Supplies, materials, etc.	18,439	1,070	19,509	3,322	5,375	8,697	28,206	23,559
Travel	3,444	379	3,823	286	354	640	4,463	6,556
Professional fees	6,395	2,114	8,509	4,306	3,915	8,221	16,730	27,243
Advertising (notes 2(d) and 2(g))	280	10,223	10,503	2	30,749	30,751	41,254	37,828
Occupancy (note 12)	8,761	1,346	10,107	982	862	1,844	11,951	11,689
Printing	168	46	214	5	37	42	256	2,186
Telecommunications	1,053	400	1,453	305	221	526	1,979	3,201
Postage and shipping	402	29	431	27	2,564	2,591	3,022	3,377
Depreciation and amortization	796	423	1,219	1,095	1,119	2,214	3,433	2,238
Other	1,582	849	2,431	2,345	1,404	3,749	6,180	7,496
Total expenses	\$ 539,888	39,451	579,339	65,565	80,707	146,272	725,611	961,798

See accompanying notes to consolidated financial statements.

SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Consolidated Statement of Cash Flows

Year ended December 31, 2025

(With comparative financial information for the year ended December 31, 2024)

(In thousands)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (3,816)	38,497
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	3,582	2,049
Reduction in carrying amount of operating lease right-of-use assets	4,093	3,309
Gain on disposal of property	2	47
Proceeds related to digital assets	(94)	—
Gain on operating lease amendment	(28)	—
Net appreciation on digital assets	7	—
Net appreciation in fair value of investments	(30,586)	(20,875)
Contributions restricted for long-term investment	(952)	58
Change in beneficial interests in perpetual trusts held by third parties	(1,607)	(843)
Changes in operating assets and liabilities:		
Grants and contracts receivable	19,925	(13,506)
Contributions receivable	1,186	(2,600)
Inventory	5,720	(8,377)
Due from Save the Children International, net	3,380	5,294
Prepaid expenses and other assets	2,316	(4,325)
Accounts payable and accrued liabilities	(28,600)	(742)
Deferred revenue	(14,851)	27,167
Postretirement benefits other than pensions	(186)	281
Operating lease liabilities	(5,041)	(3,675)
Net cash (used in) provided by operating activities	<u>(45,550)</u>	<u>21,759</u>
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(1,504)	(5,453)
Purchases of investments	(123,870)	(42,185)
Proceeds from sale of investments	152,918	53,576
Loan repayment from Save the Children International	422	1,553
Net cash provided by investing activities	<u>27,966</u>	<u>7,491</u>
Cash flows from financing activities:		
Contributions received for long-term investment	952	98
Contributions (distribution) of split interest agreements, net	(57)	(99)
Net cash provided by (used in) financing activities	<u>895</u>	<u>(1)</u>
Net (decrease) increase in cash and cash equivalents	(16,689)	29,249
Cash and cash equivalents at beginning of year	<u>122,906</u>	<u>93,657</u>
Cash and cash equivalents at end of year	\$ <u><u>106,217</u></u>	<u><u>122,906</u></u>
Supplemental cash flow information:		
Donated non-financial assets	\$ 25,798	41,658
Commodities	6,934	15,349

See accompanying notes to consolidated financial statements.

SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Notes to Consolidated Financial Statements

December 31, 2025

(With summarized comparative financial information as of and
for the year ended December 31, 2024)

(Amounts in thousands)

(1) Organization and Purpose

Save the Children Federation, Inc. (SCUS) was established in 1932 and operates as a voluntary, nonsectarian, nonprofit organization in the United States of America and throughout the world providing services for children and community self-help assistance.

SCUS is a member of Save the Children Association (SCA), a Swiss membership organization. SCA currently has 30 independent, autonomous, nonprofit, private, voluntary membership organizations that bear the name Save the Children or a related designation (the Members). SCA created Save the Children International (SCI), a United Kingdom based charitable entity, of which SCA is the sole member, and therefore, SCI is a wholly owned subsidiary of SCA.

In 2011, SCUS, in concert with the 29 other independent Members, entered into a series of agreements to create a single global program delivery platform through SCI. Under these agreements, SCUS collaborates with other Members through the SCI platform to deliver non-domestic programs to benefit children. SCUS continues to design programs, coordinate with donors, and provide technical assistance to ensure program quality, monitoring, and reporting. The costs of implementing programs through the SCI structure are covered by program funds raised by SCUS (and other Members) and the allocation of administrative expenses among the Members.

In addition to the program delivery platform and cost-sharing, SCUS and other Members agreed to transfer certain in-country program assets to SCI to facilitate the delivery of programs overseas. SCUS started to transition country offices in 2011. As of December 31, 2025, only one country office planned for transition to SCI remains. SCUS is continuing to work towards transitioning this office to SCI once registration is complete and currently is operating under a pre-transition agreement.

SCUS Head Start Programs, Inc. (Head Start) began operations in 2012 as a voluntary, nonsectarian, nonprofit organization in the United States of America delivering early childhood development programming. SCUS is the sole member of Head Start, and accordingly, Head Start is a consolidated related entity.

Save the Children Action Network, Inc. (SCAN) was established in March 2014 as a nonprofit organization organized and operated exclusively for purposes related to the social welfare of children. SCUS is the sole member of SCAN, and accordingly, SCAN is a consolidated related entity. SCAN established Save the Children Action Network New Mexico IE Committee (SCAN NM) and Save the Children Action Network Victory Fund (SCAN Victory Fund) as 527 Independent Expenditure Committees controlled by SCAN, in 2022 and 2023, respectively.

Community Development Aquaventures Pte. Ltd. (CDA) and SCF Social Ventures Pte. Ltd. (SCF) were incorporated in September 2020 as exempt private companies limited by shares. PT Solusi Masyarakat Mandiri (PT SMM) was incorporated in March 2021 as an LLC with ownership shares from CDA and SCF. SCUS is the sole member of CDA and SCF, and accordingly, CDA, SCF, and PT SMM are consolidated related entities.

SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Notes to Consolidated Financial Statements

December 31, 2025

(With summarized comparative financial information as of and
for the year ended December 31, 2024)

(Amounts in thousands)

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The consolidated financial statements include the accounts of SCUS, Head Start, SCAN and related entities, CDA, SCF and PT SMM (collectively, the Organization) and have been prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP). All significant intercompany account balances and transactions have been eliminated in consolidation.

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

- Without donor restrictions – Net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired, as well as net assets designated by the Organization's Board of Trustees.
- With donor restrictions – Net assets that are subject to donor-imposed restrictions. These include net assets that are subject to time or purpose restrictions and donor restricted endowments. Assets with time or purpose restrictions are satisfied either by the passage of time or by actions of the Organization. Donor restricted endowments must be maintained permanently by the Organization and only the income may be used as specified by the donor. Donor restricted endowments consist primarily of the historical dollar value of contributions to donor-restricted endowment funds.

Revenue is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. If an expense is incurred for a purpose for which net assets with donor restrictions are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. 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 as release from restrictions in the consolidated statement of activities. The Organization adopts the simultaneous release option for donor-restricted conditional grants that are recognized and used within the same reporting period, and thus are reported as net assets without donor restrictions.

Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or by law.

(b) United States Government Grants and Contracts

The Organization receives funding under grants and contracts from the government of the United States of America (U.S.) for direct and indirect program costs and to provide certain whole or partial sub-grants to other agencies. This funding is subject to U.S. government restrictions, which must be met through incurring qualifying expenses for particular programs. Revenue from U.S. government grants and contracts is recognized when funds are utilized by the Organization to conduct the activity, accomplish the milestones/objectives, or meet performance obligations stipulated in the grant or contract agreement.

SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Notes to Consolidated Financial Statements

December 31, 2025

(With summarized comparative financial information as of and
for the year ended December 31, 2024)

(Amounts in thousands)

The following balances are as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
U.S. government grants and contracts receivable, net	\$ 52,257	72,622
U.S. government deferred revenue	2,643	3,208
U.S. government obligated conditional grants (2026-2031)	220,226	420,679
U.S. government obligated conditional grants by SCUS to subrecipients (2026-2031)	108,090	256,276

Fees related to U.S. government contracts are recognized as earned. Fees earned are reported on the consolidated statement of activities as other income.

(c) Contributions, Private Grants, and Other Public Sources

The Organization receives funding under grants and contributions from public and private grantors for direct and indirect program costs and to provide certain whole or partial subgrants to other agencies. This funding may be subject to donor restrictions, which must be met through incurring qualifying expenses for particular programs.

The following balances are as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Non-U.S. government grants and contracts receivable, net	\$ 9,758	9,318
Non-U.S. government deferred revenue	77,874	92,160
Non-U.S. government obligated conditional contributions (2026-2031)	214,554	232,157
Non-U.S. government obligated conditional grants by SCUS to subrecipients (2026-2031)	158,818	186,262

Public and private grants or contributions are conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred asset or a right of release of the promisor's obligation to the transferred assets. Conditional contributions received with donor-imposed barriers are recognized as revenue when the barriers have been met. Amounts received in advance of satisfying the donor-imposed barriers are reported as deferred revenue until the barriers are met. An allowance for uncollectible contributions is estimated based upon prior year collection history and analysis of past-due amounts. Management evaluated the collectability of contributions receivable and determined that no allowance for uncollectible amounts was necessary as of December 31, 2025 and 2024.

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(Amounts in thousands)

Unconditional contributions are recognized as revenue at fair value when received or pledged. Fair value is estimated by discounting anticipated future cash receipts at a risk-adjusted rate for the duration of the donor's payment plan. Amortization of the discount is recorded as additional contribution revenue. Time or purpose restrictions on the use of contributions are satisfied by passage of time or use of funds, and released from restriction, accordingly.

Bequest income is recorded when the will has gone through probate, is declared legally valid, and the interests that the Organization has in a decedent's estate are reasonably estimated and assured to be received. The Board of Trustees has determined by resolution that bequest income without donor restrictions is included in operating revenue up to the current year board approved budget for bequest revenue. In the event there is an excess of unrestricted bequests, this will first make up any operating unrestricted revenue shortfall before transfers, and the remainder will be reclassified to board-designated operating reserves under nonoperating activities.

Per the Organization's financial resources policy, operating surplus is transferred to the operating reserve up to a maximum of 6% of unrestricted expense budget, as determined by resolution of the Board of Trustees. The amounts classified as board-designated funds may also be released to address key strategic purposes as determined by the management team. In 2025 and 2024, respectively, the Organization transferred \$12,400 and \$3,800 from the board-designated operating reserve by resolution of the Board of Trustees. Additionally, in 2025 and 2024, respectively, the Organization approved transfers of \$19,000 and \$0 from the board designated endowment to sustain programs and operations as well as invest in opportunities to fundraise.

(d) *Gifts-in-Kind, Donated Services, and Commodities*

The Organization receives various forms of gifts-in-kind (GIK) including media, food and non-food items such as books and household goods, and in-kind services. GIK are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. GIK are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated GIK are not sold, and goods are only distributed for program use. In 2025, the

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(Amounts in thousands)

Organization adopted crypto asset accounting and disclosure guidance (note 2(s)) and required digital asset disclosures are presented in note 2(e).

<u>Non-financial contributions category</u>	<u>Type of contributions for beneficiaries</u>	<u>Valuation</u>	<u>2025</u>	<u>2024</u>
Media	Digital, broadcast, and public service announcements	Third-party estimates using billing rates in like circumstances	\$ 10,921	12,945
Food and non-food items	Food, books, hygiene products, and household goods	U.S. wholesale prices of identical or similar products	14,128	27,396
Pharmaceuticals	Pharmaceuticals and medical supplies	Based on where distributed, the International Drug Price Indicator is used for wholesale prices where the GIK are distributed	—	26
In-kind services	Professional services such as human resources consulting, facilities, freight and legal pro bono services	Standard industry pricing for similar services	749	496
Cryptocurrency	Digital currency	Converted to cash by third party processor	—	795
Total			<u>\$ 25,798</u>	<u>41,658</u>

A substantial number of individuals have volunteered significant amounts of their time to program and supporting services; however, these services do not meet the criteria for recognition in accordance with U.S. GAAP and, therefore, are not recorded in the accompanying consolidated financial statements.

Donated commodities under awards are reported at fair value and recognized as revenue and expense when the commodities are distributed for program purposes and received by the recipients. During the years ended December 31, 2025, and 2024, the Organization was granted, under awards, certain agricultural commodities for famine relief, food aid, medical commodities and other non-food items for

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(With summarized comparative financial information as of and
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(Amounts in thousands)

health and child protection programming. The commodities and related freight, where applicable, are detailed below:

	Commodity type	2025	2024
USAID	Agricultural	\$ 275	5,094
The Global Fund	Pharmaceutical	1,706	4,850
United States Department of Agriculture	Agricultural	4,738	4,394
Various organizations or vendors from USDA	Agricultural	140	805
World Food Programme	Agricultural	—	206
International Organization for Migration	Other Non-food items	75	—
		<u>\$ 6,934</u>	<u>15,349</u>

Food commodities supplied to the Organization through U.S. government programs managed by U.S. Agency for International Development (USAID) or U.S. Department of Agriculture (USDA) are valued according to commercial prices paid as stated on the purchase order and ocean bill of lading. USAID/USDA food commodities are procured by the Farm Service Agency, the procurement arm of USDA that purchases all food commodities on behalf of international nongovernmental organizations (NGOs) and the World Food Programme (WFP), on the U.S. commercial market using funds granted to the Organization.

Other WFP contracts procure commodities through the conduct of its own competitive tender solicitations in various countries around the world. The value of those commodities is the amount WFP pays to its commercial vendors. The freight portion of the WFP commodity value is the amount WFP pays to carriers who are contracted through the solicitation of competitive offers.

(e) Digital Assets

The Organization receives contributions in the form of cryptocurrency donations. In 2025 and 2024, the Organization received cryptocurrency donations that were immediately converted to cash and recognized as contribution revenue at fair value on the date received of \$919 and \$795, respectively.

In 2025, the Organization established the Save the Children Bitcoin Fund, through which certain Bitcoin donations restricted by donors are to be held for four years, at which point assets may be utilized at the Organization's discretion. Assets may be released for utilization in programs in the native form of donation on the blockchain. As of 2025, the Organization received and recognized revenue for a bitcoin totaling \$94 restricted for long term purposes, reported as digital assets and included in prepaid expenses and other assets in the accompanying consolidated statement of financial position. The bitcoin donation held utilizes published bitcoin price history to adjust to fair market value, with changes in fair value recognized in the statement of activities as net assets with donor restrictions at a loss of \$7.

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(f) Split-Interest Agreements

Split-interest agreements consist of charitable gift annuities, charitable remainder unitrusts, charitable lead annuity trusts, pooled income funds, and perpetual trusts. Such split-interest agreements provide for payments to the donors, their beneficiaries, based upon either the income earned on related investments, or the specified annuity amounts. Assets held under these arrangements are reported at fair value in the accompanying consolidated statement of financial position. Contribution revenue is recognized at the date the trust or the annuity contract is established, and liabilities are recorded for the present value of the estimated future payments expected to be made to the donors and/or other beneficiaries. The liabilities are adjusted annually for changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimate of future payments and recognized as a nonoperating activity. The related liability for split-interest agreements is included in accounts payable and accrued liabilities in the accompanying consolidated statement of financial position.

Investments of charitable gift annuities held by Save the Children Federation, Inc. as of December 2025 and 2024, respectively, are \$3,518 and \$3,078. The related liability is included in accounts payable and accrued liabilities in the accompanying consolidated statement of financial position in the amount of \$1,421 and \$1,957 for 2025 and 2024, respectively.

(g) Functional Expenses

The Organization allocates expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are reported accordingly. Other expenses that are common to several functions are allocated by various statistical bases, which attribute the cost to functional categories. Statistical bases utilized include, but are not limited to, square footage occupied by business units and estimated time and effort supporting other functions.

The Organization conducts activities related to fundraising that have elements of other functions, such as program services (advocacy), for which the fundraising expenses are allocated (joint costs). The total expense included in the allocation is \$22,328 and \$26,901 for 2025 and 2024, respectively. Of the totals, \$14,004 and \$15,714 are allocated to program services and \$8,324 and \$11,187 are allocated to supporting services, in 2025 and 2024, respectively. These costs include GIK for media and broadcast time, salaries for staff dependent on the nature of work, and campaigns, which are reviewed for intent of messaging, and nature of support.

Other expenses represent the aggregate of various other program service costs (community labor expense and cash transfer programs) and items not individually classified in the accompanying consolidated statement of functional expenses due to their varying nature and amount from year to year (includes items such as event expense, bank charges, credit card fees, reference materials, bad debt, and membership fees).

Program activities include costs of the Organization associated with the delivery of programs relating to education, child rights governance and protection, child poverty, and health and nutrition. Program

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activities – SCI includes these activities implemented through SCI. Program development and public policy support relate to the development and technical support of programs and the advocacy efforts in support of the children. Management and general – SCI represents the Organization's obligations for SCI's management and general expense.

(h) Measure of Operations

The Organization includes in its measure of operations all revenues and expenses that are integral to its program services and supporting services. The measure of operations for the years ended December 31, 2025 and 2024 includes net investment return appropriated for operations. The transfers reflect releases from operating reserve and board designated endowment. The measure of operations excludes investment returns in excess of or less than the amount appropriated for operations, increases or decreases in donor-restricted endowment funds, foreign currency exchange, contributions and changes in value of split-interest agreements, post-retirement changes other than net periodic benefit cost, long term digital currency transactions and other nonrecurring transactions.

(i) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars, the reporting currency at exchange rates in effect at the consolidated statement of financial position date, and revenue and expenses are translated at rates, which approximate those in effect on transaction dates. Net transaction and translation gains and losses are included as foreign currency exchange gain or loss in the accompanying consolidated statement of activities.

(j) Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with original maturities of three months or less, other than those held as part of the investment portfolio, to be cash equivalents.

(k) Investments

Investments with readily determinable fair values are reported at fair value based upon quoted market prices or published net asset values for alternative investments with characteristics similar to a mutual fund. Other alternative investments (nontraditional, not readily marketable vehicles), such as certain hedge funds, private equity, private company preferred stock shares, alternative hedged strategies, and real assets are reported at net asset value, as a practical expedient for estimated fair value, as provided by the investment managers of the respective funds. These values are reviewed and evaluated by the Organization's management for reasonableness. The reported values may differ from the values that would have been reported had a ready market for these investments existed. All other investments are stated at fair value based upon quoted market prices in active markets.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses are determined on the basis of average cost of securities sold and are reflected in the consolidated statement of activities. Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis.

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(l) Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP requires the Organization to disclose the fair value of each of its assets and liabilities based on the level of observable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted or published prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date or published net asset value for alternative investments with characteristics similar to a mutual fund.
- Level 2 inputs are inputs other than quoted or published prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls, in its entirety, is based on the lowest level input that is significant to the fair value measurement.

(m) Leases

Transactions give rise to leases when the Organization receives substantially all the economic benefits from and has the ability to direct the use of specified property, plant, and equipment. The Organization has lessee activity that is classified as operating leases. Operating leases are included in operating lease right-of-use assets and operating lease liabilities in the consolidated statement of financial position unless the term of the lease is 12 months or less.

Right-of-use assets represent the right to use underlying assets for the lease term and lease liabilities represent obligations to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization uses the risk-free rate at lease commencement to perform a lease classification test and to measure the lease liability and right-of-use asset. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

(n) Property, Plant, and Equipment

Property, plant, and equipment are stated at cost if purchased or fair value on date of contribution. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the respective assets. Capitalized costs incurred in connection with ongoing capital projects are recorded as work in progress. These costs will be reclassified into categories and depreciated once placed in service.

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The estimated useful lives by asset class are as follows:

	<u>Years</u>
Buildings	25–50
Building improvements	10
Vehicles and machinery	5
Furniture and office equipment	5
Software and computer equipment	3–5

(o) Tax Status

The Internal Revenue Service has ruled that, pursuant to Section 501(c)(3) of the Internal Revenue Code (the Code), SCUS and Head Start are exempt from federal income taxes and are publicly supported organizations, as defined in Section 509(a)(1) of the Code. Effective March 11, 2014, the Internal Revenue Service determined that SCAN is exempt from federal income tax under Section 501(c)(4) of the Code. SCAN NM and SCAN Victory Fund filed notices of Section 527 status in 2022 and 2023, respectively. As not-for-profit organizations, SCUS, Head Start, SCAN, SCAN NM, and SCAN Victory Fund are exempt from state and local income taxes. CDA and SCF were incorporated in Singapore in September 2020 as exempt private companies limited by shares. PT SMM was incorporated in Indonesia in 2021 as an LLC.

The Organization follows the guidance of Accounting Standards Codification Topic 740, *Income Taxes*, related to uncertainties in income taxes, which prescribes a threshold of more-likely-than-not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization believes it has taken no significant uncertain tax positions.

(p) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates made in the preparation of the consolidated financial statements include the fair value of GIK, operating lease liabilities, valuation of investments, and the net realizable value of receivables. Actual results could differ from those estimates.

(q) Inventory

Inventory consists of program materials and emergency response supplies not used as of December 31st. Inventory is recorded at cost on purchase, while contributed inventory is recorded at fair value. Inventory is reduced and expensed when used and distributed.

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(r) **Presentation of Certain Prior Year Information**

The consolidated statements of activities and functional expenses include certain prior year summarized consolidated financial information for comparative purposes only, such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2024 from which the summarized information was derived.

(s) **Recent Accounting Pronouncements**

Accounting Standards Update (ASU) No. 2023-08, *Intangibles—Goodwill and Other—Crypto Assets* (Subtopic 350-60): *Accounting for and Disclosure of Crypto Assets* — This guidance, effective for the Organization's fiscal year ended December 31, 2025, requires that certain crypto assets be measured at fair value, with changes in fair value recognized in net assets. The Organization adopted this ASU as of January 1, 2025, and recognized revenues of \$94, adjusted for fair value changes of \$7 in net assets based on published bitcoin pricing, and held digital assets of \$87 on the consolidated statement of financial position in prepaid expenses and other assets. The adoption of ASU 2023-08 did not have a material impact on the consolidated financial statements.

(3) **Investments**

Investments consisted of the following at December 31, 2025 and 2024:

	Fair value	
	2025	2024
Cash and cash equivalents	\$ 3,445	25,487
Fixed income	24,658	23,852
Public equity	106,371	88,292
Private equity	18,320	13,676
Alternative hedged strategies	38,055	45,576
Real assets	14,134	9,483
Pending investment transactions	2,538	—
	<u>\$ 207,521</u>	<u>206,366</u>

The Organization is obligated under certain limited partnership investment fund agreements to advance additional funding periodically up to specified levels. Unfunded commitments were \$17,709 as of December 31, 2025.

Information pertaining to investment strategies is as follows:

- Cash equivalents provide short-term liquidity and serve as a funding source for distributions and rebalancing.

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- The fixed income category comprises strategies that invest principally in debt instruments issued by governments or companies or through the securitization of certain types of collateral. Fixed income provides stability and protection in deflationary environments.
- The public equity category comprises investment strategies that invest principally in publicly traded equity securities. These strategies are generally designed with reference to a benchmark that itself comprises equity securities that are traded on a recognized exchange. Public equities may include hedge funds whose investment objectives are benchmarked to equity markets.
- The private equity category comprises investment strategies that invest principally in privately issued equity-related securities. This category includes strategies that participate in venture capital, leveraged buyouts and control-oriented distressed situations. This category also includes private company preferred stock shares.
- The alternative hedged strategies category comprises strategies that seek to generate return streams that are not highly correlated to broad capital markets and that rely less on the general direction of capital markets to produce positive returns. These strategies may take a variety of forms, including long or short positions in the public equity or credit markets that seek to capitalize on perceived mispricing or on the anticipated outcome of an “event,” such as a merger or bankruptcy proceeding. Alternative hedged strategies are employed to offer market comparable returns with lower expected volatility.
- Real assets comprise strategies that invest in securities relating to real estate. This strategy provides the portfolio with a diversified hedge against inflation as well as a yield component. The real assets strategy consisted of one real estate investment trust and a mutual fund. Investments within this strategy include commodities, global natural resource stocks, global infrastructure stocks, U.S. real estate investment trusts, and treasury inflation protected securities.

The above asset categories are managed to create a portfolio effect to balance risk and return to meet investment objectives.

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(4) Fair Value Measurements

The following table presents investments by strategy and fair value as of December 31:

	Assets at fair value as of December 31, 2025				
	Measured at NAV	Level 1	Level 2	Level 3	Total
Long-term investment strategies:					
Cash and cash equivalents	\$ —	3,445	—	—	3,445
Fixed income:					
Domestic mutual funds	—	24,658	—	—	24,658
Equity:					
Global	—	37,032	—	—	37,032
Hedge funds	69,339	—	—	—	69,339
Private equity	18,320	—	—	—	18,320
Alternative hedged strategies	38,055	—	—	—	38,055
Real assets:					
Real estate investment trust	3	—	—	—	3
Mutual funds	—	14,131	—	—	14,131
Pending investment transactions	—	2,538	—	—	2,538
Total investments	\$ <u>125,717</u>	<u>81,804</u>	<u>—</u>	<u>—</u>	<u>207,521</u>
Assets of Pooled Income Funds (PIF) and Charitable Gift Annuities (CGA):					
Cash equivalents	\$ —	40	—	—	40
Fixed income	267	325	302	—	894
Public equity	1,983	601	—	—	2,584
Total assets of PIF and CGA	\$ <u>2,250</u>	<u>966</u>	<u>302</u>	<u>—</u>	<u>3,518</u>
Beneficial interests in perpetual trusts held by third parties	\$ —	—	—	18,016	18,016

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Assets at fair value as of December 31, 2024					
	Measured at NAV	Level 1	Level 2	Level 3	Total
Long-term investment strategies:					
Cash equivalents	\$ —	25,487	—	—	25,487
Fixed income:					
Domestic mutual funds	—	23,852	—	—	23,852
Equity:					
Global	—	12,061	—	—	12,061
Hedge funds	76,231	—	—	—	76,231
Private equity	13,676	—	—	—	13,676
Alternative hedged strategies	45,576	—	—	—	45,576
Real assets:					
Real estate investment trust	4	—	—	—	4
Mutual funds	—	9,479	—	—	9,479
Total investments	\$ <u>135,487</u>	<u>70,879</u>	<u>—</u>	<u>—</u>	<u>206,366</u>
Assets of Pooled Income Funds (PIF) and Charitable Gift Annuities (CGA):					
Cash equivalents	\$ —	120	—	—	120
Fixed income	230	351	335	—	916
Public equity	1,556	486	—	—	2,042
Total assets of PIF and CGA	\$ <u>1,786</u>	<u>957</u>	<u>335</u>	<u>—</u>	<u>3,078</u>
Beneficial interests in perpetual trusts held by third parties	\$ —	—	—	16,409	16,409

The following table includes a roll-forward for the years ended December 31, 2025 and 2024 for financial instruments classified within Level 3.

	Perpetual trusts
Balance, December 31, 2023	\$ 15,566
Net appreciation in fair value	<u>843</u>
Balance, December 31, 2024	16,409
Net appreciation in fair value	<u>1,607</u>
Balance, December 31, 2025	\$ <u>18,016</u>

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Investments measured at net asset value contain various monthly, quarterly, and annual redemption restrictions with required written notice ranging from 1 to 90 days. In addition, certain of these investments are restricted by lockup periods. As of December 31, 2025, the following table summarizes the composition of such investments by the various redemption and lockup provisions:

<u>Redemption period</u>	<u>Days notice for redemption</u>	<u>Amount</u>
Monthly:		
Public equity – hedge funds	10-30	\$ 16,301
Quarterly:		
Equity – hedge funds and alternative hedged strategies	30–90	64,859
Annually:		
Alternative hedged strategies	60–90	9,940
Lockup (a):		
Equity – hedge funds and alternative hedged strategies	Not applicable	16,294
Private equity	Not applicable	18,320
Real estate investment trust	Not applicable	3
Pooled income funds and gift annuity	Not applicable	2,250
Total		\$ <u>127,967</u>

(a) The amounts subject to redemption lockups at December 31, 2025 that are set to expire are as follows:

<u>Fiscal year</u>	<u>Amount</u>
2026:	
Private equity	18,320
Real estate investment trust	3
2027 and beyond:	
Equities – hedge funds	7,218
Alternative hedged strategies	9,076
Assets of PIF and CGA	2,250
Total	\$ <u>36,867</u>

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(5) Endowments

The Organization's endowment consists of 97 individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) *Interpretation of Relevant Law*

The Organization is subject to the State of Connecticut's version of the Uniform Prudent Management of Institutional Funds Act (CUPMIFA). Based on the interpretation of CUPMIFA by the Board of Trustees of the Organization, applicable accounting guidance, and absent explicit donor stipulations to the contrary, the Organization classifies net assets of a perpetual nature with donor restrictions as (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted 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 that is not held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Board of Trustees of the Organization in a manner consistent with the standard of prudence prescribed by CUPMIFA. In accordance with CUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization
- Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original dollar value of the endowment fund or the level specifically required to be retained by the donor. The Organization considers prudence in maintaining an endowment fund in perpetuity. While spending may occur from an endowment fund whose fair value is below its historic value, the Organization has determined that its policies will continue the perpetual nature of the endowment over time. There were no deficiencies as of December 31, 2025 and 2024.

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(b) Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs of at least 4.5% over the long term while shouldering an acceptable level of risk and maintaining adequate liquidity. Actual returns in any given year may vary from this amount.

(c) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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 Organization targets a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term objective within prudent risk constraints.

(d) Spending Policy and How the Investment Objectives Relate to Spending Policy

The policy governing the investment of the Organization's endowment is twofold: to provide a reasonable and prudent level of currently expendable income in accordance with the spending policy set by the Finance Committee of the Organization's Board of Trustees at 4.5% (in 2025 and 2024) of the average of the endowment's total market value for the 12 quarters ending June 30 of the previous year in which distribution is planned; and to support the Organization and its mission over the long term by ensuring that the future growth of the endowment is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment for the benefit of future generations of children in need. If a fund is under the historic dollar value, the spending rate may be reduced, as best determined to be appropriate, by the Finance Committee with approval by the Board of Trustees. The Finance Committee must approve any expenditures of endowment funds in excess of the spending rate.

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At December 31, 2025 and 2024, endowment net assets, excluding beneficial interests in perpetual trusts held by third parties, consist of the following:

	2025		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted funds	\$ —	77,093	77,093
Board-designated funds	129,276	750	130,026
Total endowments	<u>\$ 129,276</u>	<u>77,843</u>	<u>207,119</u>

	2024		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted funds	\$ —	68,438	68,438
Board-designated funds	123,431	750	124,181
Total endowments	<u>\$ 123,431</u>	<u>69,188</u>	<u>192,619</u>

Changes in endowment net assets for the years ended December 31, 2025 and 2024 consisted of the following:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, December 31, 2023	\$ 115,042	64,985	180,027
Investment return, net	13,481	6,397	19,878
Contributions	535	(58)	477
Spending rate	(5,627)	(2,136)	(7,763)
Endowment net assets, December 31, 2024	123,431	69,188	192,619
Investment return, net	20,894	9,965	30,859
Contributions	3	952	955
Transfers	(9,500)	—	(9,500)
Spending rate	(5,552)	(2,262)	(7,814)
Endowment net assets, December 31, 2025	<u>\$ 129,276</u>	<u>77,843</u>	<u>207,119</u>

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As referenced in note 2(c), by resolution of the Board of Trustees, the Organization approved transfers from the board-designated endowment to fund programs, operations, and investments in fundraising opportunities. As of December 31, 2025, \$9,500 has been redeemed with an additional \$9,500 redeemed in January 2026.

(6) Contributions Receivable, Net

Contributions receivable consisted of the following as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Contributions receivable:		
Due within one year	\$ 19,734	18,941
Due within two to five years	<u>4,473</u>	<u>8,756</u>
	24,207	27,697
Less discount to present value (average rate of 3.27% to 4.38%)	<u>(225)</u>	<u>(500)</u>
Pledges receivable, net	23,982	27,197
Charitable remainder unitrusts and charitable lead annuity trusts receivable	<u>2,530</u>	<u>501</u>
Total contributions receivable, net	<u>\$ 26,512</u>	<u>27,698</u>

On December 31, 2025 and 2024, amounts receivable from two donors represents approximately 20% and 30%, respectively, of the net contributions receivable.

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(7) Property, Plant, and Equipment, Net

Property, plant, and equipment consisted of the following as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 573	531
Buildings and improvements	2,040	1,297
Software and computer equipment	37,762	33,772
Vehicles and machinery	792	785
Furniture and office equipment	692	526
	<u>41,859</u>	<u>36,911</u>
Accumulated depreciation and amortization	(30,058)	(26,797)
Work in progress	<u>2,158</u>	<u>5,925</u>
Total property, plant, and equipment, net	<u>\$ 13,959</u>	<u>16,039</u>

(8) Credit Facilities

In 2025, the Organization terminated its \$15,000 revolving line of credit and entered into a margin loan agreement. The margin loan credit facility is collateralized by investment assets held within the Organization's Goldman Sachs margin account, with borrowing availability of up to 50% of the market value of invested assets, subject to margin requirements (\$15,000 available as of December 31, 2025, and up to \$32,150 available with additional bank approvals), and bears interest equal to the Overnight SOFR Rate plus 1.10% (4.97%). The margin loan agreement has no stated maturity date and remains in effect until terminated by either party upon written notice. In addition, the Organization maintained two standby letters of credit totaling \$3,499 during 2025, expiring in July 2026. As of December 31, 2025 and 2024, there were no borrowings outstanding under such agreements nor any borrowings during the fiscal years.

(9) Employee Benefits

The Organization maintains two defined-contribution plans covering all eligible employees. The plans require the Organization to contribute 4% of each eligible employee's compensation and match 100% of the first 4% contributed by each eligible employee. During the years ended December 31, 2025 and 2024, total pension expense under the defined contribution plans was \$7,562 and \$8,443, respectively.

The Organization has self-insured group health benefit plans, including comprehensive medical, dental and prescription drug coverage. For 2025, the individual stop loss limit is \$175 per person and aggregate coverage was removed from the plan.

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(10) Postretirement Benefits Other than Pensions

In addition to providing pension benefits, the Organization provides healthcare benefits for certain retired employees. To be eligible for these benefits, employees must complete at least 10 years of service and have reached age 55. Dental, life, and accidental death and dismemberment benefits for participants who retired before October 1, 1995 are also provided. The expected cost of providing post-retirement benefits to employees and their beneficiaries and covered dependents, if applicable, is accrued during the years that the employees render service. The following tables set forth amounts relating to postretirement benefits other than pensions recognized as of and for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 4,496	4,215
Service cost	658	718
Interest cost	239	195
Plan participant contributions	147	93
Actuarial gain	(1,011)	(442)
Benefits paid	<u>(219)</u>	<u>(283)</u>
Benefit obligation at end of year	\$ <u>4,310</u>	<u>4,496</u>
	<u>2025</u>	<u>2024</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ —	—
SCUS contribution	72	190
Plan participant contributions	147	93
Benefits paid	<u>(219)</u>	<u>(283)</u>
Fair value of plan assets at end of year	<u>—</u>	<u>—</u>
Postretirement benefits other than pensions liability	\$ <u>4,310</u>	<u>4,496</u>
Components of net periodic benefit cost:		
Service cost	\$ 658	718
Interest cost	239	195
Amortization of prior service cost	(50)	(50)
Amortization of net gain	<u>(217)</u>	<u>(192)</u>
Net periodic benefit cost	\$ <u>630</u>	<u>671</u>

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	<u>2025</u>	<u>2024</u>
Assumption used for benefit obligation as of December 31, 2025 and 2024:		
Discount rate	5.35 %	5.47 %
Assumptions used for benefit cost for the years ended December 31, 2025 and 2024:		
Discount rate	5.47 %	4.77 %
	<u>2025</u>	<u>2024</u>
The components of postretirement benefit cost other than net periodic benefit cost for the years ended December 31, 2025 and 2024:		
Net actuarial gain	\$ <u>(744)</u>	<u>(201)</u>
Total	\$ <u>(744)</u>	<u>(201)</u>
Amounts not yet recognized as a component of net periodic benefit cost as of December 31, 2025 and 2024:		
Net actuarial gain	\$ <u>3,673</u>	<u>2,929</u>
Total	\$ <u>3,673</u>	<u>2,929</u>

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

<u>Years</u>	<u>Amount</u>
2026	\$ 330
2027	341
2028	318
2029	280
2030	258
2031-2035	1,817

The benefit obligation takes into account several assumptions, including the incidence and magnitude of medical claims by age, medical trend, employee turnover, and mortality. The mortality assumption includes projections of improved longevity in the future. The medical trend assumption has limited impact on the

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benefit obligation because of the Organization capping its cost portion at January 1, 2001 levels. Effective January 1, 2002, retirees began paying for cost increases in excess of the January 1, 2001 levels.

The Organization has not identified any provisions of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act that would be expected to have a significant impact on the measured obligation at December 31, 2025 and 2024.

(11) Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes for the years ended December 31, 2025 and 2024, inclusive of appreciation on endowment corpus of \$23,542 and \$15,996, respectively.

	<u>2025</u>	<u>2024</u>
International programming	\$ 80,000	97,476
Domestic programming	18,868	20,919
Sponsorship	—	10,615
GIK programs	6,630	11,229
Other	21,119	17,884
Beneficial interest in perpetual trusts	18,016	16,409
Endowment corpus	54,301	53,193
	<u>\$ 198,934</u>	<u>227,725</u>

(12) Leases

The Organization has operating leases for office space, warehouses, classrooms, and land, which expire at various dates through June 2040. In August 2025, the Organization amended the office space lease in Fairfield, CT to surrender 8,180 square feet over the remaining term of the lease. The Organization accounted for amendment as a lease modification, with a gain recognized in non-operating activity of \$28.

Free rent and incentive payments are accounted for on a straight-line basis over the life of the lease and are netted against operating lease right-of-use assets. Operating leases with lease terms greater than one year are reported as operating lease right-of-use assets, net and operating lease liabilities in the consolidated statement of financial position.

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The table below presents a maturity analysis of lease liabilities and a reconciliation of the total amount of such liabilities recognized in the consolidated statement of financial position at December 31, 2025:

2026	\$	5,432
2027		5,151
2028		3,778
2029		3,247
2030		2,399
Thereafter		<u>9,768</u>
		29,775
Less discount for net present value		<u>(3,412)</u>
	\$	<u><u>26,363</u></u>

Lease costs and other related information for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Lease cost:		
Operating lease cost	\$ 5,487	5,480
Other information:		
Weighted-average remaining lease term – operating leases	6.3 years	7.1 years
Weighted-average discount rate – operating leases	3.46 %	3.06 %

(13) Commitments and Contingencies

The Organization is involved in various legal proceedings and claims arising in the normal course of business. Management does not expect the ultimate resolution of these actions to have a material adverse effect on the Organization's financial position, changes in net assets, or cash flows.

The Organization receives funding from government agencies for various activities, which are subject to audit. Although such audits may result in disallowance of certain expenditures, which would be absorbed by the Organization, in management's opinion, the ultimate outcome of such audits would not have a significant effect on the financial position, changes in net assets, or cash flows of the Organization.

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Government of Bolivia versus Save the Children (Bolivia)

SCUS was a cooperating sponsor with USAID in connection with USAID's Food for Peace (USAID/FFP) commodity distribution and monetization program in Bolivia. Due to a long unresolved disagreement between the Government of Bolivia and the U.S. Government and in contravention of bilateral agreements between the two governments, the Government of Bolivia began asserting claims in December 2008 of past due taxes on shipments imported by SCUS and other NGOs working with the USAID/FFP program. As of December 31, 2025, approximately 64 separate claims related to shipments between 2002 and 2009, with a collective value of approximately \$34,563, are pending before Bolivian courts. SCUS has filed objections and is defending each claim. Additionally, SCUS maintains no material assets in the country. As of December 31, 2025, no amounts have been accrued relating to this matter due to the uncertainty of the outcome.

(14) Significant Funders and Concentrations of Credit Risk

Revenue from U.S. government grants and contracts, including U.S. government commodities and ocean freight, represented 38.6% and 50.6% of total operating revenue for 2025 and 2024, respectively. During the years ended December 31, 2025 and 2024, 62.2% and 74.9%, respectively, of such U.S. government revenue were received from USAID through direct and pass-through awards. At December 31, 2025 and 2024, 55.2% and 61.9% of grants and contracts receivable and 2.2% and 0.8%, respectively, of deferred revenue received under grants and contracts were related to USAID. The operations of the Organization's programs at present levels are dependent upon continued funding from the U.S. Government and USAID.

Financial instruments that are potentially subject to concentrations of credit risk consist principally of foreign cash and cash equivalents. At December 31, 2025 and 2024, 1.1% and 2.0%, respectively, of cash and cash equivalents (including liquid investments) were deposited in banks in foreign locations. In addition, at December 31, 2025 and 2024, 29.3% and 28.5%, respectively, of the Organization's cash and cash equivalents were held by a single institution, for which \$250 was insured by the Federal Deposit Insurance Corporation.

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(15) Program Activities

A summary of program activities (without program development and public policy support) by sector and type for the years ended December 31, 2025 and 2024 is as follows:

	2025				Total	2024
	Education	Child rights and protection	Child poverty	Health and nutrition		
Salaries	\$ 52,187	872	6,162	3,516	62,737	67,760
Employee fringe benefits	18,003	336	1,948	940	21,227	21,019
Total salaries and related expenses	70,190	1,208	8,110	4,456	83,964	88,779
Grants and charges from SCI	70,710	29,877	105,465	148,927	354,979	547,992
Grants to other agencies	43,705	1,275	9,948	4,697	59,625	78,929
Supplies, material, etc.	13,163	144	4,409	723	18,439	13,614
Travel	2,770	99	379	196	3,444	3,833
Professional fees	4,487	228	1,003	677	6,395	9,332
Occupancy	8,385	28	244	104	8,761	7,965
Telecommunications	931	9	80	33	1,053	1,076
Printing, postage, and shipping	456	6	85	23	570	664
Depreciation and amortization	479	10	271	36	796	575
Other	1,283	23	482	74	1,862	3,041
Total expenses	\$ 216,559	32,907	130,476	159,946	539,888	755,800

(16) Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs and other financial commitments, while also striving to maximize the investment of its available funds. The Organization maintains a financial resources policy that outlines acceptable investment vehicles for working capital, which includes reserves to be spent in the short term on current activities, donor restricted funds meant to be spent down over a relatively short period of time to fund programs, and operating cash, which includes gifts without donor restrictions and with restriction or funds for operating needs. Per the policy, the Organization invests available cash needed for its general expenditures, liabilities, and other obligations in short-term investments, specifically interest-bearing checking accounts, money market funds, treasury bills, and money market mutual funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of providing services for children and community self-help assistance in the U.S. and throughout the world, as well as the conduct of activities to support those service operations, to be general expenditures. In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization strives to operate with a balanced budget and anticipates collecting sufficient funds to cover general expenditures not covered by donor-restricted resources.

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Financial assets for general expenditures available within one year from December 31 are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 106,217	122,906
Grants and contracts receivable	62,015	81,940
Contributions receivable, net	26,512	27,698
Due from Save the Children International, net	25,082	28,884
Investments	207,521	206,366
Assets of pooled income fund and charitable gift annuities	<u>3,518</u>	<u>3,078</u>
Total financial assets	430,865	470,872
Add endowment spending rate	7,982	7,742
Less amounts unavailable for general expenditures within one year:		
Due from Save the Children International, net	(2,578)	(3,000)
Investment assets as collateral for margin loan	(64,299)	—
Endowment funds restricted by donors of a perpetual nature	(54,301)	(53,193)
Contributions due beyond one year	(6,778)	(8,757)
Active PIF and CGA not yet terminated	(3,075)	(2,913)
Board-designated endowment	(129,276)	(123,431)
Board-designated operating reserve	(236)	(12,243)
Donor restricted endowment appreciation	<u>(23,542)</u>	<u>(15,997)</u>
Total financial assets available for general expenditure within one year	154,762	259,080
Other resources available:		
Margin loan	<u>15,000</u>	<u>15,000</u>
Total financial assets and other resources available for general expenditure within one year	\$ <u>169,762</u>	<u>274,080</u>

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In addition to the financial assets and other resources available for general expenditure within one year, the Organization has board-designated endowment net assets without donor restrictions of \$129,276 and \$123,431 in 2025 and 2024, respectively, that, while the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, with Board approval, if necessary. Furthermore, an operating reserve of \$236 and \$12,243 in 2025 and 2024, is available by action of the Board of Trustees and is funded from any annual budgeted or unbudgeted surpluses. Board approval is required to access funds from the operating reserve.

(17) Due from Save the Children International, Net

At December 31, 2025 and 2024, due from SCI, net was \$25,082 and \$28,884, respectively, and includes amounts advanced by the Organization for program operations and working capital to achieve programmatic objectives. In 2025 and 2024, the amount due from SCI also included a loan for vehicle fleet improvement.

In 2023, the Organization loaned funds for a fleet improvement project. The term of the fleet loan is seven years with expiration in January 2030 bearing interest at 3% per annum. As of December 31, 2025 and 2024, the total of the fleet loan was \$2,578 and \$3,000, with repayments commencing in April 2025 continuing through 2030.

(18) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Organization evaluated subsequent events from December 31, 2025 through June 4, 2026, which was the date the consolidated financial statements were available for issuance.