

PARTNERSHIP FOR PUBLIC SERVICE, INC

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

December 31, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Partnership for Public Service, Inc
Washington, DC

Opinion

We have audited the accompanying financial statements of Partnership for Public Service, Inc, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, 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 referred to above present fairly, in all material respects, the financial position of Partnership for Public Service, Inc, as of December 31, 2025, and the changes in its net assets, its functional expenses, 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. 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 Partnership for Public Service, Inc, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of Partnership for Public Service, Inc for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on May 8, 2025.

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 Partnership for Public Service, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Bethesda, Maryland
May 8, 2026

The image shows a handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style. The word "Rubins" is written in a large, elegant script, followed by "&" and "Company" in a similar but slightly smaller script.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,701,320	\$ 7,675,036
Investments	38,600,929	35,150,067
Accounts receivable, net	94,459	1,300,930
Pledges receivable	1,500,000	2,833,000
Prepaid expenses	349,066	320,322
Total current assets	47,245,774	47,279,355
Property and equipment, net	1,879,317	2,116,499
Other assets		
Deposits	216,353	217,048
Operating lease right-of-use asset	9,876,647	10,823,923
Total other assets	10,093,000	11,040,971
Total assets	\$ 59,218,091	\$ 60,436,825
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 837,652	\$ 916,787
Deferred revenue	2,009,432	4,416,361
Refundable advance	8,327,786	9,138,652
Operating lease liability	1,427,896	1,327,832
Total current liabilities	12,602,766	15,799,632
Noncurrent liabilities		
Operating lease liability, net	13,339,848	14,767,743
Total liabilities	25,942,614	30,567,375
Net assets		
Without donor restrictions		
Board designated	28,330,286	24,429,778
Undesignated	1,762,112	338,271
Total without donor restrictions	30,092,398	24,768,049
With donor restrictions	3,183,079	5,101,401
Total net assets	33,275,477	29,869,450
Total liabilities and net assets	\$ 59,218,091	\$ 60,436,825

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Contributions	\$ 2,346,814	\$ 2,250,000	\$ 4,596,814
Grant revenue	6,741,716	1,928,180	8,669,896
Fee for service revenue	6,881,131	-	6,881,131
Net investment interest, dividends and realized gains	5,130,834	53,109	5,183,943
Contributed nonfinancial assets	664,417	-	664,417
Sponsorship revenue	1,752,382	-	1,752,382
Rental income	304,968	-	304,968
Other revenue	114,927	-	114,927
Net assets release from donor restrictions	6,166,731	(6,166,731)	-
Total revenue and support	<u>30,103,920</u>	<u>(1,935,442)</u>	<u>28,168,478</u>
Expenses			
Program services			
Communications and Public Engagement	4,396,696	-	4,396,696
Center for Government AI	565,689	-	565,689
Public Policy and Stakeholder	2,034,370	-	2,034,370
Public Service Leadership Institute (PSLI)	911,490	-	911,490
PSLI: Government Solutions	1,353,858	-	1,353,858
PSLI: Open Enrollment - PSLI	166,200	-	166,200
PSLI: Executive Networks	1,595,969	-	1,595,969
Workforce	2,030,475	-	2,030,475
Programs Administration	6,132,299	-	6,132,299
Total program services	<u>19,187,046</u>	<u>-</u>	<u>19,187,046</u>
Supporting Services			
Development	1,740,292	-	1,740,292
Operations	4,564,802	-	4,564,802
Total supporting services	<u>6,305,094</u>	<u>-</u>	<u>6,305,094</u>
Total expenses	<u>25,492,140</u>	<u>-</u>	<u>25,492,140</u>
Change in net assets before non-operating activity	4,611,780	(1,935,442)	2,676,338
Non-operating activity			
Net unrealized appreciation in fair value of investments	<u>712,569</u>	<u>17,120</u>	<u>729,689</u>
Change in net assets	5,324,349	(1,918,322)	3,406,027
Net assets, beginning of year	<u>24,768,049</u>	<u>5,101,401</u>	<u>29,869,450</u>
Net assets, end of year	<u>\$ 30,092,398</u>	<u>\$ 3,183,079</u>	<u>\$ 33,275,477</u>

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Contributions	\$ 4,848,506	\$ 1,450,000	\$ 6,298,506
Grant revenue	5,076,067	3,477,976	8,554,043
Fee for service revenue	14,938,794		14,938,794
Net investment interest, dividends and realized gains	2,552,756	25,255	2,578,011
Contributed nonfinancial assets	308,056	-	308,056
Sponsorship revenue	3,078,361	-	3,078,361
Rental income	272,013	-	272,013
Other revenue (loss)	(2,029)	-	(2,029)
Net assets release from donor restrictions	2,971,390	(2,971,390)	-
Total revenue and support	<u>34,043,914</u>	<u>1,981,841</u>	<u>36,025,755</u>
Expenses			
Program services			
Center for Presidential Transition	1,503,184	-	1,503,184
Communications	3,624,909	-	3,624,909
Federal Executive Networks	484,711	-	484,711
Government Affairs	1,550,019	-	1,550,019
Modern Government	988,756	-	988,756
Public Service Leadership Institute	8,340,353	-	8,340,353
Research and Evaluation	945,396	-	945,396
Society's Commitment to Government	2,635,531	-	2,635,531
Workforce	4,847,801	-	4,847,801
Total program services	<u>24,920,660</u>	<u>-</u>	<u>24,920,660</u>
Supporting Services			
Development	1,536,417	-	1,536,417
Operations	4,611,869	-	4,611,869
Total supporting services	<u>6,148,286</u>	<u>-</u>	<u>6,148,286</u>
Total expenses	<u>31,068,946</u>	<u>-</u>	<u>31,068,946</u>
Change in net assets before non-operating activity	<u>2,974,968</u>	<u>1,981,841</u>	<u>4,956,809</u>
Non-operating activity			
Litigation settlement proceeds	283,103	-	283,103
Net unrealized appreciation in fair value of investments	1,123,147	5,854	1,129,001
Total non-operating activity	<u>1,406,250</u>	<u>5,854</u>	<u>1,412,104</u>
Change in net assets	4,381,218	1,987,695	6,368,913
Net assets, beginning of year	<u>20,386,831</u>	<u>3,113,706</u>	<u>23,500,537</u>
Net assets, end of year	<u>\$ 24,768,049</u>	<u>\$ 5,101,401</u>	<u>\$ 29,869,450</u>

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2025

	Program Services								Supporting Services					Total Expenses
	Communications and Public Engagement	Center for Government AI	Public Policy and Stakeholder Engagement	PSLI	PSLI: Government Solutions	PSLI: Executive Networks	PSLI: Open Enrollment	Workforce	Programs Administration	Total Program Services	Development	Operations	Total Supporting Services	
Personnel	\$ 3,447,249	\$ 475,429	\$ 1,602,888	\$ 696,868	\$ 716,582	\$ 116,488	\$ 665,776	\$ 1,428,900	\$ 4,989,387	\$ 14,139,567	\$ 1,475,697	\$ 2,685,192	\$ 4,160,889	\$ 18,300,456
Consultants	18,000	3,750	146,975	63,650	478,417	30,096	699,609	26,300	254,850	1,721,647	7,513	372,506	380,019	2,101,666
Lease expense	308,360	42,528	143,380	62,335	64,099	10,420	59,554	127,816	446,305	1,264,797	132,002	240,193	372,195	1,636,992
Stipends	2,500	-	-	-	-	-	-	236,813	-	239,313	-	-	-	239,313
Events	143,879	75	1,938	1,862	13,613	1,444	69,591	72,831	8,874	314,107	70	126,464	126,534	440,641
Computer and software	135,373	18,670	62,945	27,367	28,140	4,574	26,145	56,113	195,932	555,259	57,950	105,447	163,397	718,656
Travel	10,557	7,411	9,106	9,801	11,130	-	8,440	25,899	26,187	108,531	28,104	28,172	56,276	164,807
Professional services	213,164	-	-	-	5,235	-	-	-	14,000	232,399	-	277,647	277,647	510,046
Office	13,024	1	482	7,619	1,590	157	2,106	4,527	4,277	33,783	289	593,686	593,975	627,758
Fees	44,722	6,168	20,795	9,042	9,296	1,511	8,637	18,537	64,728	183,436	19,144	34,835	53,979	237,415
Depreciation and amortization	44,678	6,162	20,774	9,032	9,287	1,510	8,629	18,519	64,665	183,256	19,126	34,801	53,927	237,183
Assessments/training	-	-	-	19	11,420	-	1,623	-	-	13,062	-	-	-	13,062
Dues, memberships and subscriptions	3,194	5,495	17,126	10,797	1,710	-	264	413	29,934	68,933	397	49,696	50,093	119,026
Marketing	11,996	-	7,961	13,098	3,339	-	45,595	13,807	29,157	124,953	-	8,927	8,927	133,880
Credit loss expense	-	-	-	-	-	-	-	-	-	-	-	4,083	4,083	4,083
Employee	-	-	-	-	-	-	-	-	4,003	4,003	-	3,153	3,153	7,156
Total	\$ 4,396,696	\$ 565,689	\$ 2,034,370	\$ 911,490	\$ 1,353,858	\$ 166,200	\$ 1,595,969	\$ 2,030,475	\$ 6,132,299	\$ 19,187,046	\$ 1,740,292	\$ 4,564,802	\$ 6,305,094	\$ 25,492,140

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Services									Supporting Services				
	Center for Presidential Transition	Communications	Federal Executive Networks	Government Affairs	Modern Government	Public Service Leadership Institute	Research and Evaluation	Society's Commitment to Government	Workforce	Total Program Services	Development	Operations	Total Supporting Services	Total Expenses
Personnel	\$ 1,254,600	\$ 2,902,182	\$ 370,922	\$ 1,308,394	\$ 746,702	\$ 4,486,601	\$ 766,909	\$ 1,755,444	\$ 2,944,032	\$16,535,786	\$ 1,342,355	\$ 3,260,130	\$ 4,602,485	\$ 21,138,271
Consultants	40,294	168,051	53,443	40,735	47,882	2,187,667	6,293	45,604	162,156	2,752,125	8,102	338,115	346,217	3,098,342
Lease expense	94,151	217,793	27,836	98,188	56,036	336,695	57,552	131,737	220,934	1,240,922	100,737	244,655	345,392	1,586,314
Stipends	-	-	-	-	12,466	-	55,000	-	1,032,287	1,099,753	-	-	-	1,099,753
Events	12,484	43,064	4,183	5,637	16,494	235,713	2,775	399,544	111,361	831,255	6,201	96,593	102,794	934,049
Computer and software	41,116	140,704	12,022	42,405	24,328	160,134	24,975	57,636	105,203	608,523	19,980	48,504	68,484	677,007
Travel	8,398	10,034	753	1,994	53,036	230,008	1,081	24,579	88,158	418,041	14,887	44,743	59,630	477,671
Professional services	11,426	29,931	3,378	11,916	6,801	42,022	6,985	138,354	31,743	282,556	-	144,956	144,956	427,512
Office	22,835	52,713	6,459	22,313	14,489	98,772	13,019	49,892	61,492	341,984	22,978	54,901	77,879	419,863
Fees	-	-	-	-	-	176,176	-	-	-	176,176	-	164,616	164,616	340,792
Depreciation and amortization	14,077	32,564	4,162	14,681	8,378	50,342	8,605	19,697	33,034	185,540	15,062	36,579	51,641	237,181
Assessments/training	176	557	52	183	105	198,978	108	246	14,643	215,048	-	1,235	1,235	216,283
Dues, memberships and subscriptions	810	6,593	180	635	362	34,214	372	1,592	9,429	54,187	6,046	87,937	93,983	148,170
Marketing	-	-	488	-	-	92,957	-	7,264	26,718	127,427	-	1,003	1,003	128,430
Credit loss expense	-	-	-	-	-	-	-	-	-	-	-	75,783	75,783	75,783
Employee	2,817	20,723	833	2,938	1,677	10,074	1,722	3,942	6,611	51,337	69	12,119	12,188	63,525
Total	\$ 1,503,184	\$ 3,624,909	\$ 484,711	\$ 1,550,019	\$ 988,756	\$ 8,340,353	\$ 945,396	\$ 2,635,531	\$ 4,847,801	\$24,920,660	\$ 1,536,417	\$ 4,611,869	\$ 6,148,286	\$ 31,068,946

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 3,406,027	\$ 6,368,913
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	237,183	237,181
Net unrealized gains	(729,689)	(1,129,001)
Realized (gains) losses	(168,516)	9,485
Receipt of donated stock	-	(35,680)
Sale of donated stock	-	35,007
Change in allowance for credit losses	(31,100)	13,718
Amortization of operating lease right-of-use asset	947,276	897,651
Changes in operating assets and liabilities:		
Accounts receivable	1,237,571	1,004,613
Pledges receivable	1,333,000	(1,692,500)
Prepays and other assets	(28,049)	92,095
Accounts payable	(79,135)	368,045
Deferred revenue	(2,406,929)	484,789
Refundable advance	(810,866)	9,138,652
Operating lease liability	(1,327,831)	(996,459)
Net cash provided by operating activities	1,578,942	14,796,509
Cash flows from investing activities		
Purchases of investments	(4,739,000)	(13,746,090)
Proceeds from sales of investments	2,186,342	43,586
Net cash used by investing activities	(2,552,658)	(13,702,504)
Net change in cash and cash equivalents	(973,716)	1,094,005
Cash, beginning of year	7,675,036	6,581,031
Cash, end of year	\$ 6,701,320	\$ 7,675,036

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

1. Organization

Partnership for Public Service, Inc. (the Partnership) was formed in 1999 as a nonprofit organization in accordance with the laws of the State of Delaware. The Partnership revitalizes the Federal Government by inspiring a new generation to serve and by transforming the way government works. The Partnership envisions a dynamic and innovative Federal Government that effectively serves the American people.

2. Program Descriptions

Communications and Public Engagement - The Communications and Public Engagement team at the Partnership is responsible for conveying the organization's mission to external and internal audiences and for creating and implementing public engagement campaigns. Work includes brand development, rapid response in media, marketing, content creation, narrative change, delivering data products and conducting research.

Center for Government AI - The AI Center for Government is committed to fostering AI leadership, talent and literacy across federal, state and local governments. The Center focuses on AI policy, research and leadership and talent development in the public sector.

Public Policy and Stakeholder Engagement - Public Policy and Stakeholder Engagement leads policy and congressional engagement efforts, develops and offers resources to current and former federal employees, serves as a hub for reimagining government efforts and responds to executive orders and regulations.

Public Service Leadership Institute (PSLI) - The Public Service Leadership Institute is the preeminent source of public service leadership programs, policies and perspectives. It develops government leaders, promotes a single standard of federal leadership through the Public Service Leadership Model, and amplifies the importance of public service leadership by issuing commentary and convening leaders across sectors.

PSLI: Government Solutions - PSLI: Government Solutions comprises leadership development programs and offerings offered to federal, state and local government agencies on a fee-for-service basis.

PSLI: Executive Networks - PSLI: Executive Networks convenes current and former government executives to help them build critical connections with their peers across government, share promising practices and learn from one another.

PSLI: Open Enrollment - PSLI: Open Enrollment comprises leadership development programs for government leaders at all levels and across federal, state and local government agencies on an open enrollment basis.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

2. Program Descriptions (continued)

Workforce - The Partnership helps government address critical talent gaps by advocating for policies that improve the hiring process, administering internship and fellowship programs that inspire entry-level talent to join public service, and helping agencies design and implement new recruitment and retention strategies. Collectively this work helps fill government talent pipelines and remove barriers to a career in government.

Programs Administration - Programs Administration comprises projects and functions that cut across all programmatic teams; these projects and functions include business development and proposal development and talent acquisition and development for all program types.

3. Summary of Significant Accounting Policies

Basis of presentation - The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

3. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents - The Partnership considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Partnership maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments - Investments are recorded at their readily determinable fair value. Interest, dividends and realized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets.

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. The Partnership's policy is to liquidate all gifts of investments as soon as possible after the gift.

Accounts receivable - Accounts receivable primarily consists of amounts due within one year related to fee for service revenue. Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs.

Pledges receivable - Pledges receivable include unconditional promises to give that are expected to be collected within one year. Pledges receivable are recorded at net realizable value, which approximates fair value. The Partnership reviews pledges receivable for collectability on a periodic basis. Each receivable balance is assessed based on management's knowledge of and relationship with the donor and the age of the receivable balance. As a result of these reviews, receivable balances for which collection is deemed doubtful are charged to loss on uncollectable pledges and an allowance is recorded. Management considers all pledges receivable to be fully collectable; therefore, no allowance for doubtful pledges receivable has been established.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

3. Summary of Significant Accounting Policies (continued)

Property and equipment - Property and equipment in excess of \$20,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. However, certain assets, such as artwork, are not subject to depreciation, as they are considered to have an indefinite useful life. Artwork is recorded at historical cost and reviewed periodically for impairment. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense totaled \$237,183 and \$237,181 for the years ended December 31, 2025 and 2024, respectively.

Impairment of long-lived assets - Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is to its current value, and a loss is reported in the Statements of Activities and Changes in Net Assets, to its current fair value.

Income taxes - The Partnership is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). The Partnership has no unrealized business income activities. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Partnership is not a private foundation.

Revenue from contracts with customers - The Partnership's fee for service revenue, sponsorship revenue and rental income are the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. The Partnership has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. The Partnership's contracts with customers generally have initial terms of one year or less.

Fee for service revenue for open enrollment programs is recognized over the term of the program. Fee for service revenue for other programs is recognized as the program occurs.

Sponsorship revenue and rental income is recognized when the related event occurs.

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3. Summary of Significant Accounting Policies (continued)

Support from contributions and grants - Contributions and grants are recognized in the appropriate category of net assets in the period received. The Partnership performs an analysis of the individual contribution or grant agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions and grants with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions and grants are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. The Partnership's refundable advances totaled \$8,327,786 and \$9,138,652 as of December 31, 2025 and 2024, respectively.

Contributed nonfinancial assets - Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed legal and consulting services. Contributed services are valued at the standard hourly rates that would be charged for those services.

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Partnership. None of the contributed nonfinancial assets were restricted by donors.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
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3. Summary of Significant Accounting Policies (continued)

Use of estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses - The costs of providing the Partnership's programs and supporting services have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, occupancy and depreciation, were allocated based on estimated time and effort.

Risks and uncertainties - The Partnership invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

4. Investments and Fair Value Measurements

In accordance with FASB ASC 820, Fair Value Measurement, the Partnership has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1 - These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Partnership has the ability to access.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

4. Investments and Fair Value Measurements (continued)

Level 2 - These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3 - These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended December 31, 2025 and 2024. Transfers between levels are recorded at the end of the reporting period, if applicable:

- Money Market Funds - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- U.S. Treasury Notes - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.
- Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Partnership are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Partnership are deemed to be actively traded.

US GAAP permits, as a practical expedient, the fair value of investments within scope to be estimated using the net asset value (NAV) or its equivalent. NAV or its equivalent is the value per share or value of ownership interest in partner's capital, as provided by the fund, whose financial statements are prepared in a manner consistent with measurement principles of an investment company or that have the attributes of an investment company. In many instances, NAV will not equal fair value that would be calculated pursuant to the Fair Value Measurement Topic.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

4. Investments and Fair Value Measurements (continued)

The fair value amounts presented in the tables below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Financial Position. Following is a description of those investments measured at NAV:

- TIFF - The Investment Fund for Foundations (TIFF) investment program consists of one mutual fund at present named the TIFF Multi-Asset Fund (MAF). MAF employs a fair value model to adjust prices to reflect events affecting the values of certain portfolio securities that occur between the close of trading on the principal market for such securities (foreign exchange and over the counter markets) and the time at which the net asset value of the fund is determined.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy and those measured at NAV as of December 31:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Investments				
Money market funds	\$ 3,778,912	\$ -	\$ -	\$ 3,778,912
U.S. Treasury Notes	-	6,084,492	-	6,084,492
Mutual funds	<u>407,239</u>	<u>-</u>	<u>-</u>	<u>407,239</u>
Total investments at fair value	4,186,151	6,084,492	-	10,270,643
Investments measured at NAV	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,330,286</u>
Total investments	<u>\$ 4,186,151</u>	<u>\$ 6,084,492</u>	<u>\$ -</u>	<u>\$ 38,600,929</u>
	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Investments				
Money market funds	\$ 4,273,240	\$ -	\$ -	\$ 4,273,240
U.S. Treasury Notes	-	6,070,649	-	6,070,649
Mutual funds	<u>376,400</u>	<u>-</u>	<u>-</u>	<u>376,400</u>
Total investments at fair value	4,649,640	6,070,649	-	10,720,289
Investments measured at NAV	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,429,778</u>
Total investments	<u>\$ 4,649,640</u>	<u>\$ 6,070,649</u>	<u>\$ -</u>	<u>\$ 35,150,067</u>

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

4. Investments and Fair Value Measurements (continued)

The following is a summary of the investments valued using NAV as a practical expedient and the related unfunded commitments and redemption restrictions associated with each major asset category as of December 31, 2024:

	December 31, 2025			
	Net Asset Value	Unfunded Commitments	Redemption Frequency	Notice Period
TIFF Multi-Asset Fund	\$ 28,330,286	\$ -	Quarterly, Annually	30 - 90 days
	December 31, 2024			
	Net Asset Value	Unfunded Commitments	Redemption Frequency	Notice Period
TIFF Multi-Asset Fund	\$ 24,429,778	\$ -	Quarterly, Annually	30 - 90 days

Net investment return consisted of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Interest and dividends	\$ 5,019,181	\$ 2,592,079
Unrealized gain	729,689	1,129,001
Realized gain (loss)	142,216	(9,485)
Investment fees	(3,754)	(4,583)
Net investment return	\$ 5,887,332	\$ 3,707,012

Beginning June 2, 2017, the Partnership became the fiscal agent for the Rosenthal Fellowship Program (the Program). An amendment was incorporated into the agreement allowing the Partnership to continue as the fiscal agent for the Program through August 31, 2019 or a later date agreed upon between the two parties. Effective October 18, 2019, the Partnership was granted sole control over all the funds held or raised by the Program including the rights and duty to invest such funds. The Partnership had investments for the Rosenthal Fellowship of \$407,819 and \$380,127 on December 31, 2025 and 2024, respectively.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

5. Contract Assets and Contract Liabilities

Accounts receivable consisted of the following revenue streams as of December 31

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Fee for service	\$ 110,346	\$ 1,356,512	\$ 2,179,402
Sponsorships	549	30,000	216,325
Other	44,466	6,420	1,818
Less: Allowance for credit losses	<u>(60,902)</u>	<u>(92,002)</u>	<u>(78,284)</u>
Total accounts receivable	<u>\$ 94,459</u>	<u>\$ 1,300,930</u>	<u>\$ 2,319,261</u>

The allowance for credit losses consisted for the following as of and for the years ended December 31, 2025 and 2024:

Allowance for credit losses, December 31, 2023	\$ 78,284
Additions (charges to expenses)	75,783
Deductions (write-offs, net of recoveries)	<u>(62,065)</u>
Allowance for credit losses, December 31, 2024	92,002
Additions (charges to expenses)	4,083
Deductions (write-offs, net of recoveries)	<u>(35,183)</u>
Allowance for credit losses, December 31, 2025	<u>\$ 60,902</u>

Deferred revenue consisted of the following revenue streams as of:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Fee for service	\$ 942,765	\$ 790,000	\$ 940,000
Sponsorships	1,066,667	3,626,361	2,983,172
Other	<u>-</u>	<u>-</u>	<u>8,400</u>
Total deferred revenue	<u>\$ 2,009,432</u>	<u>\$ 4,416,361</u>	<u>\$ 3,931,572</u>

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

6. Property and Equipment

Property and equipment consisted of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 2,609,009	\$ 2,609,009
Artwork	<u>10,000</u>	<u>10,000</u>
Total property and equipment	2,619,009	2,619,009
Less: Accumulated depreciation and amortization	<u>(739,692)</u>	<u>(502,510)</u>
Net property and equipment	<u>\$ 1,879,317</u>	<u>\$ 2,116,499</u>

Depreciation and amortization expense totaled \$237,183 and \$237,181 for the years ended December 31, 2025 and 2024, respectively.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purposes:		
Workforce	\$ 988,097	\$ 1,336,324
Government Affairs	293,541	632,264
Programs Administration	-	382,813
Society's Commitment to Government	250,000	350,000
Public Service Leadership Institute	151,441	100,000
Development	<u>500,000</u>	<u>-</u>
Total purpose restricted	2,183,079	2,801,401
Subject to passage of time	<u>1,000,000</u>	<u>2,300,000</u>
Net Assets With Donor Restrictions	<u>\$ 3,183,079</u>	<u>\$ 5,101,401</u>

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

7. Net Assets With Donor Restrictions (continued)

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the years ended December 31:

	<u>2025</u>	<u>2024</u>
Program restrictions accomplished:		
Workforce	\$ 559,585	\$ 1,242,874
Modern Government	-	470,930
Government Affairs	760,047	157,736
Programs Administration	423,540	205,187
Society's Commitment to Government	350,000	100,000
Public Service Leadership Institute	173,559	100,000
Development	600,000	460,815
Research and Evaluation	-	233,848
Total program restrictions accomplished	<u>2,866,731</u>	<u>2,971,390</u>
Expiration of time restrictions	<u>3,300,000</u>	<u>-</u>
Net Assets Released From Restrictions	<u><u>\$ 6,166,731</u></u>	<u><u>\$ 2,971,390</u></u>

8. Contributed Nonfinancial assets

The Partnership was the beneficiary of certain contributed nonfinancial assets which allowed the Partnership to provide greater resources towards its various programs. All contributed nonfinancial assets benefited the operations of the Partnership.

The contributed nonfinancial assets consisted of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Donated software	\$ 200,000	\$ 200,000
Donated legal services	31,507	108,056
Donated furniture and equipment	<u>432,910</u>	<u>-</u>
Total contributed nonfinancial assets	<u><u>\$ 664,417</u></u>	<u><u>\$ 308,056</u></u>

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024

9. Availability and Liquidity

The Partnership has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, the Partnership has Board designated net assets without donor restrictions that were established by the Board of Directors that may be drawn upon in the event of financial distress or an immediate liquidity need. In addition, the Partnership invests cash in excess of its current requirements in a portfolio of investments designed to maximize long-term earnings with acceptable risk to investment principal. The Partnership has money set aside in their TIFF investments for emergencies, if necessary. Financial assets available for general expenditures within one year of the Statements of Financial Position date comprise the following as of December 31:

	2025	2024
Cash and cash equivalents	\$ 6,701,320	\$ 7,675,036
Investments	38,600,929	35,150,067
Accounts receivable, net	94,459	1,300,930
Pledges receivable	1,500,000	2,833,000
Financial assets available within one year	46,896,708	46,959,033
Less: Refundable advances	(8,327,786)	(9,138,652)
Donor restricted net assets	(2,183,079)	(2,801,401)
Board designated net assets	(28,330,286)	(23,429,779)
Financial assets available to meet cash needs for general expenditures within one year	\$ 8,055,557	\$ 11,589,201

10. Lease Commitments

The Partnership follows FASB ASC 842 for leases. The Partnership has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. The Partnership has also elected to use a risk-free rate as the lease discount rate for its lease as allowed under FASB ASC 842.

The Partnership has an operating lease for office space in Washington D.C. that expires in December 2033. The Partnership received rent abatement through December 2023. The office lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease. The discount rate used to calculate the lease liability was 3.93%.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
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10. Lease Commitments (continued)

The lease provides the Partnership with a conditional option to renew for an additional 120-month term. The Partnership will not exercise the option. Consequently, this provision has not been included in the lease calculation.

For the years ended December 31, 2025 and 2024, total lease cost was \$1,636,922 and \$1,586,314, respectively. During the years ended December 31, 2025 and 2024, total cash paid for the operating lease was \$1,934,647 and \$1,642,297, respectively.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of December 31, 2025:

Year Ending December 31, 2026	\$ 1,983,014
2027	2,032,589
2028	2,083,402
2029	2,135,489
2030	2,188,876
Thereafter	<u>6,900,465</u>
	17,323,835
Less: imputed interest	(2,556,091)
current portion	<u>(1,427,897)</u>
Lease liability, net	<u>\$ 13,339,847</u>

Subsequent to year end, the Partnership restructured its leasing arrangements, where an unrelated organization will take over the existing lease and the Partnership will occupy a new leased space. Occupancy is expected to occur on September 1, 2026. The new lease has an 18-month abatement with rental payments not expected to commence until March 1, 2028. Upon the date of occupancy, the lease liability and related lease asset will be adjusted to reflect the new leasing arrangement.

Future minimum lease payments under the new lease are as follows:

Year Ending December 31, 2028	\$ 985,000
2029	1,209,500
2030	1,239,800
2031	1,270,800
2032	1,302,500
Thereafter	<u>7,267,500</u>
	<u>\$ 13,275,100</u>

PARTNERSHIP FOR PUBLIC SERVICE, INC.
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11. Retirement Plan

The Partnership provides retirement benefits through a 401(k) savings plan (the Plan) for all employees. Full-time employees are eligible to participate in the Plan on the first month after seven (7) months of service. Employees may contribute from 1% to 15% of their eligible earnings. Under the Plan, the Partnership contributes 100% of the first 4% of each employee's contributions. The Partnership recorded contributions of \$501,627 and \$545,775 to the Plan for the years ended December 31, 2025 and 2024, respectively.

12. Related Party Transactions

The Partnership receives a portion of its support from contributions made by members of the Board of Directors. The Partnership received contributions of approximately \$695,000 and \$747,000 from these donors during the years ended December 31, 2025 and 2024, respectively.

13. Board Designated Fund

The Board of Directors (the Board) approved the reallocation of operating funds to establish a reserve fund. The Partnership's operating budget may include investment income at an amount of up to 5% of the market value of the TIFF Multi-Asset Fund as of January 1 of the new fiscal year. Since this is an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

Interpretation of relevant law - The Partnership has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the District of Columbia as requiring the preservation of the fair value of the original amount as of the date of the Board designated reserve funds, absent explicit stipulations to the contrary.

In accordance with UPMIFA, the Partnership considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Board designated reserve fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Investment Policies - The Board of the Partnership is charged with the responsibility of managing the assets of the Partnership. The overall goal in managing these funds is to generate a long-term total rate of return that provides sustainable distributions to support the mission within reasonable levels of risk.

PARTNERSHIP FOR PUBLIC SERVICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
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13. Board Designated Fund (continued)

The Board believes its role is one of setting and reviewing policy and retaining, monitoring, and evaluating advisers and investment managers. It is the Board's desire to find ways to invest these funds in accordance with the principles of the Partnership. The Investment Committee will review the investment policy statement at least annually.

The financial objectives of the investment funds (Funds) are to provide a stream of relatively stable and constant earnings in support of annually budgetary needs and preserve and enhance the real (inflation-adjusted) purchasing power of the Funds. The reserve fund is held in investments in TIFF funds and is included in the investments in the accompanying Statements of Financial Position. It is the intention of the Board that the funds allocated to the reserve fund remain there indefinitely. However, at this time, the funds may, upon approval by the Board, be withdrawn to sustain the Partnership's operations.

The objective of this reserve fund is to provide for long-term financial stability of the Partnership's core mission. To achieve that objective, the Partnership invests in a well-diversified asset mix, which includes equities, debt securities, and cash equivalents which is intended to result in a consistent inflation-protected rate of return while growing the fund is possible. Investment risk is measured in terms of the total reserve fund. Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Composition and changes in Board designated net assets without donor restrictions consisted of the following as of and for the year ended December 31:

	<u>2025</u>	<u>2024</u>
Board designated, beginning of year	\$ 24,429,778	\$ 19,953,790
Contributions	-	1,500,000
Net investment return	5,121,997	2,975,988
Appropriations	<u>(1,221,489)</u>	<u>-</u>
Board designated, end of year	<u>\$ 28,330,286</u>	<u>\$ 24,429,778</u>

14. Subsequent Events

In preparing these financial statements, the Partnership has evaluated events and transactions for potential recognition or disclosure through May 8, 2026, the date the financial statements were issued.