USENIX ASSOCIATION
(A NONPROFIT PUBLIC BENEFIT CORPORATION)

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

HEALY AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

October 5, 2026

Board of Directors
USENIX Association
San Francisco, California

Opinion

We have audited the accompanying financial statements of USENIX Association (a nonprofit public benefit corporation), 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 USENIX Association as of December 31, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 USENIX Association 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 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 USENIX Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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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 USENIX Association'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 USENIX Association'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 USENIX Association’s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 3, 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 financial statements from which it has been derived.

Healy and Associates
Concord, California

USENIX ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 543,548	$ 513,416
Investments	5,145,856	5,336,227
Prepaid expenses	283,067	266,448
TOTAL CURRENT ASSETS	5,972,471	6,116,091
Property and equipment, net	-	-
Intangible assets, net	209,776	149,211
TOTAL ASSETS	$ 6,182,247	$ 6,265,302
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 37,604	$ 27,692
Accrued vacation payable	130,419	158,685
Contract liability	364,386	272,299
TOTAL CURRENT LIABILITIES	532,409	458,676
TOTAL LIABILITIES	532,409	458,676
COMMITMENTS		
NET ASSETS		
Without donor restrictions:		
General	717,950	773,813
Board designated	4,931,888	5,032,813
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	5,649,838	5,806,626
With donor restrictions	-	-
TOTAL NET ASSETS	5,649,838	5,806,626
TOTAL LIABILITIES AND NET ASSETS	$ 6,182,247	$ 6,265,302

See Notes to Financial Statements

USENIX ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
REVENUE AND SUPPORT:				
Conference, workshop, and sponsorship revenue	$ 4,705,870	$ -	$ 4,705,870	$ 4,615,603
Investment income, net	709,629	-	709,629	859,321
Contributions	575,531	-	575,531	337,397
Membership dues	102,451	-	102,451	115,727
In-kind contributions	79,850	-	79,850	69,560
Other income	400	-	400	188
	6,173,731	-	6,173,731	5,997,796
Net assets released from restriction	-	-	-	-
Total revenue and support	6,173,731	-	6,173,731	5,997,796
EXPENSES:				
Program	5,360,182	-	5,360,182	5,407,036
Supporting services:				
General and administrative	546,006	-	546,006	556,087
Fundraising	424,331	-	424,331	293,142
Total expenses	6,330,519	-	6,330,519	6,256,265
Change in net assets	(156,788)	-	(156,788)	(258,469)
NET ASSETS, beginning of year	5,806,626	-	5,806,626	6,065,095
NET ASSETS, end of year	$ 5,649,838	$ -	$ 5,649,838	$ 5,806,626

See Notes to Financial Statements

USENIX ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	Program	General and Administrative	Fundraising	Total 2025	Total 2024
EXPENSES:					
Conferences and workshops	$ 3,514,961	$ 14,978	$ -	$ 3,529,939	$ 3,593,894
Personnel, taxes, and related benefits	1,323,802	227,490	368,725	1,920,017	1,890,965
Information technology	161,328	32,556	24,191	218,075	151,025
Grant awards	207,031	-	-	207,031	143,950
Accounting	-	175,915	-	175,915	175,681
In-kind services	57,112	14,324	8,414	79,850	69,560
Depreciation and amortization	34,615	6,986	5,190	46,791	36,129
Insurance	18,669	19,014	2,799	40,482	39,038
Other	-	24,533	11,314	35,847	42,172
Legal	-	18,964	-	18,964	4,678
Printing & publications	18,000	-	-	18,000	21,833
Office	8,161	1,646	1,224	11,031	14,024
Travel	7,766	1,567	1,164	10,497	17,301
Advertising and promotion	-	6,996	-	6,996	7,555
Outside services	4,446	897	667	6,010	26,500
Occupancy	4,291	866	643	5,800	11,947
BOD meetings and expenses	-	-	-	-	3,731
Bad debt	-	(726)	-	(726)	6,282
TOTAL EXPENSES	$ 5,360,182	$ 546,006	$ 424,331	$ 6,330,519	$ 6,256,265

See Notes to Financial Statements

USENIX ASSOCIATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (156,788)	$ (258,469)
Adjustments to reconcile change in net assets to cash used by operating activities:		
Depreciation and amortization	46,791	36,129
Realized and unrealized net gain on investments	(709,629)	(859,321)
CHANGES IN ASSETS AND LIABILITIES:		
Accounts receivable	-	50,772
Prepaid expenses	(16,619)	8,620
Accounts payable and accrued expenses	1,265	(11,153)
Accrued vacation payable	(28,266)	26,268
Contract liability	92,087	(136,551)
NET CASH USED BY OPERATING ACTIVITIES	(771,159)	(1,143,705)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,449,605)	(749,633)
Sale and maturities of investments	2,227,603	1,886,936
Increase in intangible assets	(98,709)	(123,914)
NET CASH PROVIDED BY INVESTING ACTIVITIES	679,289	1,013,389
NET CHANGE IN CASH AND CASH EQUIVALENTS	(91,870)	(130,316)
CASH AND CASH EQUIVALENTS, beginning of year	874,832	1,005,148
CASH AND CASH EQUIVALENTS, end of year	$ 782,962	$ 874,832
SUPPLEMENTAL INFORMATION:		
Cash and cash equivalents	$ 543,548	$ 513,416
Investment - cash equivalents	239,414	361,416
	$ 782,962	$ 874,832
Intangible asset purchases in payables at year end	$ 8,647	$ 7,080

See Notes to Financial Statements

NOTE A – NATURE OF ACTIVITIES

USENIX Association (USENIX or the Association) is a nonprofit public benefit corporation and was incorporated in 1980. The Association's primary purpose is to provide educational benefit, including the exchange and communication of research and technological ideas pertaining to advanced computing systems and tools. The Association has approximately 766 members in 35 countries. The Association is primarily supported through conferences and events, memberships, and contributions. The Association's programs include:

Conferences and events – Conferences are organized by dedicated USENIX staff and volunteer program committees that are comprised of industry professionals. The Association's conferences are highly technical, attracting attendees with mid-to-senior level experience in information technology positions, and offering opportunities for learning, networking, presenting, and publishing research in the conference proceedings.

Major annual conferences include the USENIX Security Symposium, SREcon conferences, Symposium on Operating Systems Design and Implementation (OSDI), Symposium on Networked Systems Design and Implementation (NSDI), File and Storage Technologies Conference (FAST), and the USENIX Annual Technical Conference (ATC). USENIX also organizes smaller conferences focusing on specific areas in advanced computing systems. Co-located events are held with some conferences.

Memberships – Membership in the Association provides benefits that include discounts on conference registration fees at all events. Members also have interactive access to USENIX's digital magazine, ;*login:*, with the ability to post comments to articles online and receive responses from authors and other members.

Open access initiative – The Association publishes its conference proceedings free of charge, making them available to members and nonmembers alike on its website, along with video, audio, and slide presentations from conferences. Beginning in 2021, the Association reimagined its longstanding members-only magazine, ;*login:*, as an open access digital publication with increased opportunities for interactivity among authors and readers.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Association 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 revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method and Basis of Presentation

The accounting records of the Association are maintained on the accrual basis of accounting. The financial statements of the Association have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, which require the Association to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

The Association reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Association did not have net assets with donor restrictions at December 31, 2025 and 2024.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments, if any, with maturity dates of three months or less, which are neither held for nor restricted by donors for long term purposes. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Association's financial instruments include cash, cash equivalents, and investments measured using Level 1 inputs. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs).

The Association groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

- **Level 1**— Quoted prices for identical assets in active markets.
- **Level 2**—Observable inputs other than Level 1, which include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.
- **Level 3**— Unobservable inputs that cannot be corroborated by observable market data.

Property and Equipment

Property and equipment additions, in excess of $5,000, are recorded at cost, or if donated, at fair value on the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally five years. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred. The Association had no fixed assets at December 31, 2025.

Intangible Assets

Intangible asset additions, in excess of $5,000, are recorded at cost, or if donated, at fair value on the date of donation, less accumulated amortization. Amortization is computed using the straight-line method over the estimated useful lives of the related assets.

Conference registration and sponsorship revenue and receivables

Revenues from conferences and workshops are recognized when the events take place. Amounts received prior to the events are recorded as contract liabilities. There were no receivables at December 31, 2025 and 2024.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and pledges

The Association recognizes contributions and pledges when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Membership Dues

The Association provides services and benefits to members, including advocacy, in exchange for membership dues. Membership dues are determined based on the level of membership benefits and commitment that a member wants to take. Membership dues are collected up front at the beginning of each month in which the membership period begins or is renewed. Payments are not deferred upon collection but are evaluated for deferral at year end. Membership revenue is recognized in monthly increments. For the years ended December 31, 2025 and 2024, membership dues were $102,451 and $115,727, respectively.

Conferences and workshops

The Association defers recognition of income and expenses for conferences and workshops until the related event occurs. For the years ended December 31, 2025 and 2024, conference and workshop revenue was $2,565,448 and $2,521,466, respectively.

Sponsorships

The Association has contractual agreements with sponsors for each event, which may be customized based upon negotiation with the sponsor. Sponsorship levels are specified within the contract for each event and have benefits assigned to each level of sponsorship (e.g., diamond, platinum, gold, silver, bronze). All benefits are deliverables that the sponsor receives on a per event basis. Prices may vary depending on each individual contract. Sponsorship fees for subsequent years are deferred upon receipt and recognized as revenue at the event's start date. For the years ended December 31, 2025 and 2024, sponsorship revenue was $2,140,422 and $2,094,136, respectively.

Contract Liability

The Association's contract liability consists of conference registration and sponsorship payments made in advance of conferences to be held in the future.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Contributions

The Association receives services which are donated for carrying out its mission. Donated professional services are recorded at the respective fair values of the services received. During the years ended December 31, 2025 and 2024, the Association recognized $79,850 and $69,560, respectively, in in-kind contributions. The amounts are reflected in the accompanying statement of activities and functional expenses.

Functional Allocation of Expenses

The costs of program activities and supporting services have been summarized on a functional basis in the statements of functional expenses. The statement presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs such as general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Association. Such expenses which are common to multiple functions have been allocated among the various functions benefited, using personnel time spent in the functional area and management's estimates.

Tax Exemption Status

The Association has received tax exempt status under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the State of California Revenue and Taxation Code. The Association is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS along with related state filings. The related tax returns are subject to examination by federal and state taxing authorities generally for three years after they are filed. The Association has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Comparative Financial Information and Reclassifications

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2024, from which the summarized information was derived.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle – Adoption of CECL

Effective January 1, 2025, the Association adopted the nonprofit practical expedient and related accounting policy election available under Accounting Standards Codification ("ASC") Topic 326, Financial Instruments – *Credit Losses*. The Association had previously adopted the Current Expected Credit Losses ("CECL") methodology and continues to evaluate financial assets measured at amortized cost in accordance with ASC 326.

Adoption and Practical Expedients

In applying ASC 326, the Association elected the following practical expedient and accounting policy election:

1. Practical Expedient for Short-Term Receivables – The Association assumes that economic conditions at the balance sheet date will remain unchanged for the short remaining life of its receivables, thereby eliminating the need to forecast future macroeconomic variables (ASC 326-20-30-10C and 30-10D).
2. Accounting Policy Election for Post-Balance-Sheet Collections – The Association considers actual cash collections received between the balance sheet date and the date the financial statements are available to be issued (or another selected cut-off date). Receivables collected during this period are excluded from the allowance for credit losses (ASC 326-20-30-10E through 30-10H).
3. Pooling and Qualitative Approach – For uncollected receivables remaining after the cut-off date, the Association evaluates expected credit losses collectively using historical experience adjusted for current conditions and known specific risks when applicable.

Effect of Adoption

The adoption of the practical expedient and related accounting policy election did not have a material impact on the Association's financial position, results of operations, or net assets. The Association has disclosed these elections in accordance with ASC 326-20-50-12A and 50-12B.

NOTE C – CONCENTRATIONS

The Association occasionally maintains balances in depository and brokerage accounts in excess of the respective Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurance limits. At December 31, 2025 and 2024, the Association has $13,067 and $324,873, respectively, in funds on deposit in excess of insured limits.

NOTE D – INVESTMENTS

The composition and fair value of investments held at December 31, 2025 and 2024 are as follows:

	2025	2024
	Level 1	Level 1
Fixed income	$ 945,876	$ 973,579
Common stock	1,629,866	1,627,867
Mutual funds	2,318,412	2,365,090
Cash equivalents	239,414	361,416
Accrued interest	12,288	8,275
Total investments	$ 5,145,856	$ 5,336,227

Investment activity for the year ended December 31, 2025 is as follows:

Investments, beginning of year	$ 5,336,227
Withdrawals net of deposits	(900,000)
Interest, dividend and realized gain	357,287
Unrealized gain	366,449
Less: fees	(14,107)
Investments, end of year	$ 5,145,856

NOTE E – PROPERTY AND EQUIPMENT

Fixed assets at December 31, 2025 and 2024 are comprised of the following:

	2025	2024
Office equipment	$ -	$ 2,403
Less: Accumulated depreciation	-	(2,403)
Total fixed assets, net	$ -	$ -

Depreciation expense is $0 and $160 for the years ended December 31, 2025 and 2024, respectively.

NOTE F – INTANGIBLE ASSETS

Intangible assets at December 31, 2025 and 2024 are comprised of the following:

	2025	2024
Website and upgrades	$ 1,236,096	$ 1,128,740
Less: Accumulated amortization	(1,026,320)	(979,529)
Total intangible assets, net	$ 209,776	$ 149,211

Amortization expense is $46,791 and $35,969 for the years ended December 31, 2025 and 2024, respectively.

NOTE G – CONTRACT LIABILITY

The change in contract liability during the year ended December 31, 2025, consists of the following activity:

Type	Beginning Balance	Revenue Recognized	Future Obligations	Ending Balance
Sponsorship	$ 249,350	($ 249,350)	$ 339,500	$ 339,500
Fees and registration	22,949	(22,949)	24,886	24,886
Total	$ 272,299	($ 272,299)	$ 364,386	$ 364,386

NOTE H – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	$ 543,548
Investments	5,145,856
Total financial assets	5,689,404
Less:	
Net assets with board designations	(4,931,888)
Financial assets available to meet cash needs for general expenditures within one year	$ 757,516

As part of the Association's liquidity management, the Association has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Association's board designated funds are $4,931,888 at December 31, 2025. Although they do not intend to spend from this board designated fund these amounts could be made available if necessary.

NOTE I – IN-KIND DONATIONS

During the year ended December 31, 2025, the Association received the following in-kind services:

Services Received and Use	Basis for Valuation	Total
Computer software*	Fair Value	$ 75,850
Advertising*	Fair Value	1,000
Professional services*	Fair Value	3,000
*Shared allocation: 74% program, 15% admin, and 11% fundraising		$ 79,850

NOTE J – EMPLOYEE BENEFITS

The Association's employees are entitled to vacation pay based on length of service and other factors. The accrued vacation liability at December 31, 2025 and 2024 is $130,419 and $158,685, respectively, as reflected in the accompanying statement of financial position.

The Association offers participation in a 401(k) retirement plan (the "Plan") for all eligible employees. Contributions are made on behalf of the employees at the rate of 3% of an eligible employee's compensation plus an employer match of up to 2% of the employee's elective contribution. The amounts contributed to the Plan for the years ended December 31, 2025 and 2024 are $67,647 and $70,016, respectively.

NOTE K – COMMITMENTS

The Association sponsors numerous conferences on specialized topics. Commitments for the larger conferences are generally made for hotel and meeting room space up to five years prior to the conference dates. In the event of a cancellation or a lower than anticipated attendance, there is a potential liability to the Association for the commitments to the hotels and convention centers involved in these contracts. As the likelihood is remote, no accrual has been recorded. At December 31, 2025, the Association has approximately $380,600 in non-refundable expenses for signed agreements related to future activities.

NOTE L – NET ASSETS WITH BOARD DESIGNATIONS

For the year ended December 31, 2025, net assets with board designations had the following activity:

Nature of Designation	Beginning Balance	Income, net of fees	Withdrawals	Ending Balance
Operating reserve	$ 5,032,813	$ 732,610	($ 833,535)	$ 4,931,888
Total	$ 5,032,813	$ 732,610	($ 833,535)	$ 4,931,888

In December 1992, the Board established an investment account with the intent of assuring a reserve fund for operations and a growth opportunity for supporting the "Good Works" programs envisioned by USENIX. The fund was established with $1,000,000 from funds without donor restrictions. The Board has established portfolio objectives and investment guidelines that outline the permitted asset mix and characteristics of the portfolio of securities. The intent of the Board is to allow the reserve funds to be invested in high quality securities and bonds for mid-term growth while still providing the Association with liquidity and safety for reserve needs.

NOTE M – SUBSEQUENT EVENTS

The Association has evaluated subsequent events for recognition and disclosure through October 5, 2026, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2025, that required recognition or disclosure in the financial statements.