Public Library of Science

Consolidated Financial Statements

December 31, 2025
(With Comparative Totals for 2024)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Public Library of Science

Opinion

We have audited the accompanying consolidated financial statements of Public Library of Science (a California nonprofit corporation) (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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Public Library of Science as of December 31, 2025, and the changes in their net assets and their 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 Public Library of Science 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 these consolidated 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 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 Public Library of Science's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated 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 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 Public Library of Science'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 Public Library of Science'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 Public Library of Science's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 16, 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.

Armanino LLP

San Francisco, California

July 17, 2026

Public Library of Science
Consolidated Statement of Financial Position
December 31, 2025
(With Comparative Totals for 2024)

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,974,347	$ 6,131,954
Program and accounts receivable, net	4,842,609	8,131,089
Prepaid expenses and other current assets	1,055,762	1,282,841
Contributions and grants receivable	75,037	760,374
Total current assets	10,947,755	16,306,258
Noncurrent assets		
Investments	22,394,972	16,324,996
Property and equipment, net	215,693	168,609
Total noncurrent assets	22,610,665	16,493,605
Total assets	$ 33,558,420	$ 32,799,863
LIABILITIES AND NET ASSETS		
Current liabilities		
Institutional deposits	$ 809,215	$ 610,954
Accrued liabilities	1,752,592	1,298,315
Accounts payable	2,303,558	2,058,433
Deferred revenue	2,039,510	5,807,725
Total current liabilities	6,904,875	9,775,427
Net assets		
Without donor restrictions	26,055,514	20,684,819
With donor restrictions	598,031	2,339,617
Total net assets	26,653,545	23,024,436
Total liabilities and net assets	$ 33,558,420	$ 32,799,863

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

Public Library of Science
Consolidated Statement of Activities
For the Year Ended December 31, 2025
(With Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Revenues, gains (losses) and other support				
Publication fee, net of discounts of $7,150,980 and $5,721,917, respectively	$ 37,720,261	$ -	$ 37,720,261	$ 30,964,133
Institutional Partnership revenue	8,117,496	-	8,117,496	6,938,268
Advertising	80,000	-	80,000	159,134
Grants and contributions	1,200	1,113,802	1,115,002	2,516,683
Interest and dividend income	770,599	-	770,599	792,750
Unrealized and realized gains on investments, net	1,385,285	-	1,385,285	421,085
Other losses, net	(29,474)	-	(29,474)	(32,155)
Net assets released from restrictions	2,855,388	(2,855,388)	-	-
Total revenues, gains (losses) and other support	50,900,755	(1,741,586)	49,159,169	41,759,898
Functional expenses				
Publishing program services	36,219,881	-	36,219,881	31,047,002
Management and general	9,310,179	-	9,310,179	5,908,478
Total functional expenses	45,530,060	-	45,530,060	36,955,480
Change in net assets	5,370,695	(1,741,586)	3,629,109	4,804,418
Net assets, beginning of year	20,684,819	2,339,617	23,024,436	18,220,018
Net assets, end of year	$ 26,055,514	$ 598,031	$ 26,653,545	$ 23,024,436

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

Public Library of Science
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2025
(With Comparative Totals for 2024)

	Publishing Program Services	Management and General	2025 Total	2024 Total
Expenses				
Salaries and benefits	$ 23,663,079	$ 3,871,808	$ 27,534,887	$ 23,438,681
Production costs	6,692,700	-	6,692,700	6,236,915
Bad debt expense	-	3,212,762	3,212,762	358,658
Technology	2,041,520	233,002	2,274,522	1,965,938
Professional fees	1,319,331	878,494	2,197,825	1,839,582
Travel, meals, and promotion	973,771	250,441	1,224,212	872,352
Training and recruitment	132,864	560,574	693,438	229,658
Office and other	467,391	184,905	652,296	513,477
Marketing and advertising	560,910	-	560,910	301,471
Facility costs	368,315	118,193	486,508	1,198,748
Total expenses	$ 36,219,881	$ 9,310,179	$ 45,530,060	$ 36,955,480

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

Public Library of Science
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2025
(With Comparative Totals for 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 3,629,109	$ 4,804,418
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	101,517	171,161
Amortization of operating lease right-of-use asset	-	827,145
Unrealized and realized gains on investments, net	(1,385,285)	(421,085)
Loss on disposal of property and equipment	-	32,281
Allowance for credit losses	3,590,961	-
Changes in operating assets and liabilities		
Program and accounts receivable, net	(302,481)	(2,543,019)
Prepaid expenses and other current assets	227,079	(460,301)
Contributions and grants receivable, net	685,337	(752,369)
Institutional deposits	198,261	(92,233)
Accrued liabilities	454,277	206,686
Accounts payable	245,125	(222,597)
Deferred revenue	(3,768,215)	4,284,339
Operating lease liability	-	(917,299)
Net cash provided by operating activities	3,675,685	4,917,127
Cash flows from investing activities		
Purchase of investments	(9,545,565)	(710,823)
Sale of investments	4,860,874	175,976
Purchase of property and equipment	(148,601)	(132,291)
Net cash used in investing activities	(4,833,292)	(667,138)
Net increase (decrease) in cash and cash equivalents	(1,157,607)	4,249,989
Cash and cash equivalents, beginning of year	6,131,954	1,881,965
Cash and cash equivalents, end of year	$ 4,974,347	$ 6,131,954

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

Public Library of Science
Notes to Consolidated Financial Statements
December 31, 2025

1. NATURE OF OPERATIONS

The Public Library of Science ("Organization" or "PLOS") was incorporated in the State of California, USA on July 11, 2001, as a California nonprofit public benefit corporation with company number C2354500, and is registered in the UK with company number FC031758 and branch number BR016828 with headquarters located in San Francisco. Our mission is to accelerate progress in science and medicine by leading a transformation in research communication. We publish a suite of Open Access journals, empowering researchers to make all content freely available online for everyone to learn from, share and reuse without restrictions. We also work alongside research communities to break down barriers in making research communication more accessible, more equitable, and more transparent.

In August 2021, we established our German subsidiary, PLOS GmbH, in Berlin and in January 2022 we established our Singapore subsidiary, PLOS Pte. Ltd. Each of these entities will play a critical role in fulfilling our goal of expanding our global footprint in locally responsible ways to get closer to research communities. In order for PLOS to have a meaningful impact, we need our publications to represent the broadest range of researcher voices, globally. This way, we ensure the co-creation of paths to Open Science that work for diverse communities and do not simply extend legacy power structures. The purpose of PLOS GmbH is to ensure the representation of the interests and values of European research communities in PLOS publications and to co-create pathways to Open Science. Our presence in Singapore will ensure the same representation and partnership with research communities across Asia, enabling progress towards an equitable Open Science future.

The Organization's core objectives are to:

- Work with research communities globally to overcome unnecessary barriers, influence research-sharing practices, and co-create solutions that maximize the immediate availability, access, and use of research.
- Pursue a publishing strategy that optimizes the inclusivity, openness, quality, and integrity of the publication process, facilitating trust and collaboration around scientific evidence that advances progress and enables our society to address global challenges.
- Develop innovative approaches to the assessment, organization, and reuse of ideas and data.

For more information, visit PLOS' website at www.plos.org.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The consolidated financial statements of PLOS have been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") specific to nonprofit organizations. Net assets and changes therein are classified as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

- *Net assets without donor restrictions* - Net assets available for use in general operations and not subject to donor-imposed restrictions.
- *Net assets with donor restrictions* - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Investment income and gains or losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law.

Principles of consolidation

The consolidated financial statements include the accounts of Public Library of Science and its wholly-owned subsidiaries PLOS GmbH and PLOS Pte, Ltd. All intercompany transactions and balances have been eliminated in consolidation.

Prior year summarized information

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such summarized 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 PLOS' consolidated financial statements for the year ended December 30, 2024, from which the summarized information was derived.

Cash and cash equivalents

PLOS considers all highly liquid investments which include domestic and foreign country deposits with remaining maturities of three months or less to be cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program and accounts receivable

Program and accounts receivable consist of amounts due from author fees, sponsorships, and advertising. PLOS recognizes an expected allowance for credit losses for financial assets measured at amortized cost, including program and accounts receivable, to present the net amount expected to be collected as of the statement of financial position date in accordance with ASC 326, Financial Instruments-Credit Losses. Such allowance is based on the credit losses expected to arise over the life of the asset. The allowance estimate is derived from a review of PLOS' historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions and reasonable and supportable forecasts regarding future events. PLOS believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the PLOS's portfolio segments have remained constant. PLOS is not anticipating any future credit losses in these accounts.

Assets are written off when determined that such financial assets are deemed uncollectible and write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the statement of financial position date. PLOS pools its financial assets measured at amortized cost based on similar risk characteristics in estimating its expected credit losses and continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change. PLOS uses historical collection experience as the primary credit quality indicator for accounts receivable. Reserves for potential credit losses are maintained based on historical credit losses and management's expectations. The allowance for credit losses was $3,980,048 as of December 31, 2025.

The following table summarizes the change in the allowance for credit losses for the year ended December 31, 2025:

Balance, beginning of year	$ 389,087
Provision for expected credit losses	3,590,961
Balance, end of year	$ 3,980,048

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and promises to give

Contributions, including unconditional promises to give, are recognized as revenue in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the donor-imposed barriers have been met by PLOS or there is no longer a right of return or release. PLOS records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and current aging of contributions receivable. As of December 31, 2025 PLOS considers all contributions receivable to be fully collectible within one year; accordingly, no allowance for doubtful contributions has been recorded.

At December 31, 2025, contributions approximating $2,257,000 have not been recognized in the accompanying consolidated statement of activities because the conditions on which they depend have not yet been met.

Investments

PLOS' investments are stated at fair value based on quoted prices in active markets. Any related changes in realized or unrealized gain (loss) are reflected in the statement of activities.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, PLOS uses various valuation approaches. A hierarchy has been established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the PLOS. Unobservable inputs are inputs that reflect PLOS' assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The following methods and assumptions were used to estimate the fair value of financial instruments:

- *Level 1* - investments include quoted prices (unadjusted) in active markets for identical investments that PLOS has the ability to access at the measurement date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

- *Level 2* - investments include other significant observable inputs (including quoted prices for similar instruments, interest rates, prepayment terms, credit risk, etc.).
- *Level 3* - investments include significant unobservable inputs (including PLOS' own assumptions in determining the fair value of instruments).

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets is measured by comparison of the carrying amount of the asset to the net undiscounted future cash flows expected to be generated from the asset. If the future undiscounted cash flows are not sufficient to recover the carrying value of the assets, the assets' carrying value is adjusted to fair value. There was no impairment of assets during the year ended December 31, 2025.

Property and equipment

Property and equipment are valued at cost or, if donated, at fair market value on the date of donation. The cost of property and equipment greater than $1,000 is capitalized and depreciated over the estimated useful life of each class of depreciable asset using the straight-line method or over the lesser of the lease term or useful life for leasehold improvements.

Depreciation and amortization of property and equipment is computed using the straight-line method over the following estimated useful lives:

Leasehold improvements	Lesser of lease term or 1 - 5 years
Computer hardware and software	3 - 5 years
Furniture and fixtures	3 - 10 years
Website	5 years

Institutional deposits

Institutional deposits represent unused prepaid publication fee deposits from institutional accounts. These are refundable amounts should the institution terminate its arrangements with PLOS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

PLOS determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the consolidated statement of financial position. Finance leases are included in property and equipment and other long-term liabilities on the consolidated statement of financial position.

ROU assets represent PLOS' right to use an underlying asset for the lease term and lease liabilities represent PLOS' obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As PLOS' lease does not provide an implicit rate, PLOS uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

PLOS' lease agreements do not contain any material residual value guarantees or material restrictive covenants.

PLOS has elected not to recognize ROU assets and lease liabilities for short-term leases and instead records them in a manner similar to operating leases under legacy leasing guidelines. A short-term lease is one with a maximum lease term of 12 months or fewer and does not include a purchase option that the lessee is reasonably certain to exercise. PLOS only has a small number of short-term leases and the short-term lease cost is nominal.

PLOS previously leased office space in San Francisco, California under an operating lease. The lease ended in December 2024 and was not renewed. As of December 31, 2025, PLOS does not have any ROU assets or lease liabilities.

Deferred revenue

Deferred revenue consists of publication fees collected in advance of publication. These revenues are recognized in the period when the services are rendered and performance obligations are met.

Revenue

PLOS recognizes revenues from contracts with customers using a five-step analysis of contracts to determine when and how revenue is to be recognized, based on the core principle that revenue is recognized to reflect the transfer of goods and services to customers in an amount equal to the consideration that PLOS receives or expects to receive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue (continued)

PLOS receives revenue from a variety of sources. The most significant portion of revenues is derived from publication fees, which represents fees that authors pay in order to have their scientific articles published in one of PLOS' various online journals. PLOS receives article submissions from authors and then performs a detailed peer review prior to publishing the article. Publication fee revenue is recognized at the time of publication. The publication fee amount is based on pre-established rates.

Publication fee support is recorded as a reduction from the posted publication fee rates at the time revenue is recognized. It includes amounts extended to individual authors with financial hardships through the Publication Fee Assistance program and authors whose research is funded by eligible low- and middle-income countries through the PLOS Global Participation Initiative.

Institutional Partnership revenue consists of flat price agreements entered into with institutions that enable authors affiliated with the institutions to publish articles with PLOS for no fee. The institutions pay a flat annual fee which is recognized over the term of the subscription period as the performance obligation is delivered.

Advertising revenue is recognized when the advertising is published.

Contributed services and costs

Contributed services and costs are reflected at the fair value of the contribution received. The contributions of services and costs are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. PLOS did not recognize any in-kind contributions during the year ended December 31, 2025.

Functional allocation of expenses

Costs of providing PLOS' programs and other activities have been allocated between publishing program services and general and administration functional expenses based upon time and other cost studies performed by PLOS. Indirect costs were allocated to the programs and supporting services by a method that best measured the relative degree of benefit which was primarily based on headcount and individual's respective functions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

PLOS has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 27301d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities, and management is confident that PLOS continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status. PLOS may periodically receive unrelated business income (such as advertising income, etc.) requiring PLOS to file separate tax returns under federal and state statutes. PLOS also has certain transactions requiring the payment of additional employer taxes to HM Revenue and Customs in the U.K. Under such conditions, PLOS calculates and accrues the applicable taxes. PLOS is not subject to examination by taxing authorities, nor was for any prior years. The German subsidiary, PLOS GmbH, is not an exempt organization and is subject to employer taxes, corporate income tax filings, and payment obligations to the authorities in Germany. PLOS consults with an agent, Mazars GmbH and Co. KG, in Germany to timely prepare and file the returns.

PLOS assesses tax positions taken or expected to be taken against more-likely-than-not recognition threshold and measurement attributes for financial statement recognition. Based on an analysis prepared by PLOS, it was determined that PLOS believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Concentration of credit risk

PLOS manages deposit concentration risk by placing cash, sweep accounts, and certificate of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, PLOS has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from individuals and foundations supportive of the mission. Investments are made by diversified investment managers whose performance is monitored by management and the finance committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, PLOS believes that the investment policies and guidelines are prudent for the long-term welfare of PLOS.

PLOS received 100% of grant and contribution revenue from one grantor during the year ended December 31, 2025. PLOS received approximately 45% of institutional partnership revenue from two customers for the year ended December 31, 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires PLOS management to make estimates and assumptions that affect certain reported amounts and disclosures. Uses of estimates include, but are not limited to, accounting for the fair value of investments, the allowance for expected credit losses, the allowance for doubtful contributions, contributions receivable, and depreciation. Actual results could differ from those estimates.

Subsequent events

Management of PLOS has evaluated events and transactions subsequent to December 31, 2025, for potential recognition or disclosure in the financial statements. There are no subsequent events that require recognition or disclosure in the financial statements for the year ended December 31, 2025. Subsequent events have been evaluated through July 17, 2026, the date the financial statements were available to be issued.

3. INVESTMENTS

Investments consisted of the following:

Fixed income	$ 14,253,221
Domestic stock	5,342,277
International stock	2,799,474
	$ 22,394,972

4. FAIR VALUE MEASUREMENTS

The Organization's assets at fair value as of December 31, 2025 within the fair value hierarchy, are as follows:

	Level 1	Level 2	Level 3	Total
Fixed income	$ 14,253,221	$ -	$ -	$ 14,253,221
Domestic stock	5,342,277	-	-	5,342,277
International stocks	2,799,474	-	-	2,799,474
	$ 22,394,972	$ -	$ -	$ 22,394,972

The fair value of fixed income and equity securities is based on the closing price reported on the active market on which identical or similar individual securities are traded.

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Computer hardware and software	$ 1,702,683
Website	947,818
	2,650,501
Accumulated depreciation	(2,434,808)
	$ 215,693

Depreciation and amortization expense for the year ended December 31, 2025 amounted to $101,517 and is included in facility costs in the consolidated statement of functional expenses.

6. COMMITMENTS AND CONTINGENCIES

PLOS is subject to certain claims and lawsuits in the normal course of business. Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. PLOS is not aware of any litigation or claims that management believes would have a material adverse effect on its financial condition or results of operations.

7. DEFERRED REVENUE

The following table sets forth a summary of the deferred revenue activity for the year ended December 31, 2025:

Balance, beginning of year	$ 5,807,725
Cash received in advance	46,206,864
Revenue recognized	(45,917,757)
Other adjustments	(4,057,322)
Balance, end of year	$ 2,039,510

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

To research new publishing models	$ 598,031

8. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions released from restriction during the year were as follows:

To research new publishing models	$ 1,741,586
Access to open access publishing	1,113,802
	$ 2,855,388

9. RETIREMENT PLAN

For U.S.-based employees, PLOS offers the opportunity for participation in a salary reduction retirement plan qualified under Internal Revenue Code Section 401(k). The Public Library of Science 401(k) Profit Sharing Plan & Trust provides employees with the opportunity to defer up to 4% of their salary. PLOS matches 100% of employee contributions up to 3% of compensation, and then matches 50% of employee contributions on the next 2% of compensation. PLOS contributed $417,323 to the plan for the year ended December 31, 2025.

For U.K.-based employees, PLOS offers a policy under Royal London whereby participants must contribute a minimum of 5% of their salary for a matching PLOS contribution up to 10%. PLOS contributed $686,032 to the plan for the year ended December 31, 2025.

For Germany-based employees, PLOS participates in the statutory German pension scheme, under which contributions totaling 18.6% of gross salary are shared equally between the employee and employer at 9.3% each. PLOS also offers an enhanced pension scheme that employees may opt into. PLOS contributed $7,405 to the plans for the year ended December 31, 2025.

For Singapore-based employees, PLOS participates in the Central Provident Fund ("CPF"), Singapore's national social security and retirement savings scheme established under the Central Provident Fund Act of 1953. Under the CPF framework, employees aged 55 and below contribute 20% of wages, while PLOS contributes 17%, for a total contribution rate of 37%. PLOS contributed $11,910 to the plan for the year ended December 31, 2025.

10. LIQUIDITY AND FUNDS AVAILABLE

As part of the Organization's liquidity management, PLOS invests its excess cash and operating reserves in its investment portfolio managed by Vanguard Institutional Advisors. PLOS' investment portfolio contains equity and fixed income mutual funds that can be redeemed on one day's notice.

PLOS strives to maintain net assets without restrictions that are equal to at least three months of its average monthly expenses, although the organization may choose to go below this level to invest in new initiatives.

10. LIQUIDITY AND FUNDS AVAILABLE (continued)

Financial assets available within one year of the statement of financial position date for general operating expenditures are as follows:

Financial assets	
Cash and cash equivalents	$ 4,974,347
Program and accounts receivable, net	4,842,609
Contributions and grants receivable	75,037
	9,891,993
Less: amounts unavailable for general expenditure within one year	
Net assets with donor restrictions	(598,031)
	(598,031)
	$ 9,293,962