

**FOREIGN POLICY RESEARCH INSTITUTE**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**FOREIGN POLICY RESEARCH INSTITUTE  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>5</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>7</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>8</b>



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Foreign Policy Research Institute  
Philadelphia, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Foreign Policy Research Institute (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Board of Trustees  
Foreign Policy Research Institute

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foreign Policy Research Institute as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, management has adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
April 24, 2019

**FOREIGN POLICY RESEARCH INSTITUTE  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 870,187	\$ 1,185,048
Grants Receivable (Note 1)	350,000	405,350
Pledges Receivable (Note 3)	60,000	75,000
Royalties and Other Receivables	64,724	72,295
Prepaid Expenses and Other Assets	19,335	14,319
Total Current Assets	1,364,246	1,752,012
<b>PLEDGES RECEIVABLE, NET OF CURRENT PORTION</b>	86,878	135,050
<b>PROPERTY AND EQUIPMENT</b>		
Equipment at Cost	139,315	139,315
Less: Accumulated Depreciation	(132,961)	(117,042)
Total Property and Equipment	6,354	22,273
<b>OFFICE LEASE SECURITY DEPOSIT</b>	4,955	4,955
Total Assets	\$ 1,462,433	\$ 1,914,290
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 107,764	\$ 122,348
Deferred Income (Note 1)	186,259	179,919
Total Current Liabilities	294,023	302,267
<b>NET ASSETS (DEFICIT)</b>		
Without Donor Restrictions	51,818	(24,429)
With Donor Restrictions (Page 11 and Note 4)	1,116,592	1,636,452
Total Net Assets	1,168,410	1,612,023
Total Liabilities and Net Assets	\$ 1,462,433	\$ 1,914,290

See accompanying Notes to Financial Statements.

**FOREIGN POLICY RESEARCH INSTITUTE  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions	\$ 662,942	\$ 235,000	\$ 897,942	\$ 641,238	\$ 338,120	\$ 979,358
Grants	-	698,000	698,000	-	1,292,111	1,292,111
Memberships and Partnerships	228,428	-	228,428	221,030	-	221,030
Royalties and Editorial Income	162,640	-	162,640	165,965	-	165,965
Event Income	21,234	-	21,234	25,269	-	25,269
Investment Loss	2,969	-	2,969	(1,058)	-	(1,058)
Other Income	25,048	-	25,048	1,182	-	1,182
Total Support	<u>1,103,261</u>	<u>933,000</u>	<u>2,036,261</u>	<u>1,053,626</u>	<u>1,630,231</u>	<u>2,683,857</u>
Net Assets Released from Restrictions	1,452,860	(1,452,860)	-	1,310,050	(1,310,050)	-
Total Support and Revenue	<u>2,556,121</u>	<u>(519,860)</u>	<u>2,036,261</u>	<u>2,363,676</u>	<u>320,181</u>	<u>2,683,857</u>
<b>EXPENSES</b>						
Program	2,076,757	-	2,076,757	1,968,822	-	1,968,822
Management and General	226,543	-	226,543	286,551	-	286,551
Fundraising	176,574	-	176,574	193,868	-	193,868
Total Expenses	<u>2,479,874</u>	<u>-</u>	<u>2,479,874</u>	<u>2,449,241</u>	<u>-</u>	<u>2,449,241</u>
<b>CHANGE IN NET ASSETS</b>	76,247	(519,860)	(443,613)	(85,565)	320,181	234,616
Net Assets - Beginning of Year	<u>(24,429)</u>	<u>1,636,452</u>	<u>1,612,023</u>	<u>61,136</u>	<u>1,316,271</u>	<u>1,377,407</u>
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u>\$ 51,818</u>	<u>\$ 1,116,592</u>	<u>\$ 1,168,410</u>	<u>\$ (24,429)</u>	<u>\$ 1,636,452</u>	<u>\$ 1,612,023</u>

See accompanying Notes to Financial Statements.

**FOREIGN POLICY RESEARCH INSTITUTE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2018**

	Supporting Services				Total
	Program	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 579,817	\$ 110,018	\$ 84,426	\$ 194,444	\$ 774,261
Employee Health and Retirement Benefits	64,956	15,542	12,002	27,544	92,500
Payroll Taxes	41,641	9,688	7,678	17,366	59,007
Total Salaries and Related Expenses	<u>686,414</u>	<u>135,248</u>	<u>104,106</u>	<u>239,354</u>	<u>925,768</u>
Office and Equipment Rentals	21,325	9,326	712	10,038	31,363
Depreciation	10,824	4,733	362	5,095	15,919
Dissemination	37,839	-	46,887	46,887	84,726
Honoraria and Stipends	653,602	1,260	-	1,260	654,862
Information Systems	33,155	14,392	1,630	16,022	49,177
Occupancy	85,962	22,826	12,627	35,453	121,415
Outside Services	14,982	6,377	2,237	8,614	23,596
Supplies and Postage	33,438	2,676	1,630	4,306	37,744
Telephone and Internet	8,460	3,337	272	3,609	12,069
Travel	212,862	4,292	1,381	5,673	218,535
Conferences and Lectures	199,771	-	680	680	200,451
Meetings	12,571	6,967	747	7,714	20,285
Subscriptions and Memberships	3,836	6,036	2,825	8,861	12,697
Insurance	9,881	4,321	330	4,651	14,532
Finance Charges	5,599	1,941	148	2,089	7,688
Other	46,236	2,811	-	2,811	49,047
Total Other Expenses	<u>1,390,343</u>	<u>91,295</u>	<u>72,468</u>	<u>163,763</u>	<u>1,554,106</u>
Total Functional Expenses	<u>\$ 2,076,757</u>	<u>\$ 226,543</u>	<u>\$ 176,574</u>	<u>\$ 403,117</u>	<u>\$ 2,479,874</u>

See accompanying Notes to Financial Statements.

**FOREIGN POLICY RESEARCH INSTITUTE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2017**

	Supporting Services				Total
	Program	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 475,360	\$ 130,179	\$ 99,441	\$ 229,620	\$ 704,980
Employee Health and Retirement Benefits	57,037	11,621	7,562	19,183	76,220
Payroll Taxes	37,788	9,625	7,206	16,831	54,619
Total Salaries and Related Expenses	<u>570,185</u>	<u>151,425</u>	<u>114,209</u>	<u>265,634</u>	<u>835,819</u>
Office and Equipment Rentals	48,001	10,695	6,285	16,980	64,981
Depreciation	12,443	7,359	499	7,858	20,301
Dissemination	12,924	-	46,127	46,127	59,051
Honoraria and Stipends	735,819	495	-	495	736,314
Information Systems	32,722	18,944	1,286	20,230	52,952
Occupancy	83,273	20,934	11,450	32,384	115,657
Outside Services	7,559	4,471	9,063	13,534	21,093
Supplies and Postage	31,848	1,922	1,521	3,443	35,291
Telephone and Internet	8,187	4,057	311	4,368	12,555
Travel	117,858	2,984	1,584	4,568	122,426
Conferences and Lectures	239,979	1,460	199	1,659	241,638
Meetings	18,852	4,644	401	5,045	23,897
Insurance	8,066	4,771	324	5,095	13,161
Finance Charges	6,031	2,542	173	2,715	8,746
Other	35,075	49,848	436	50,284	85,359
Total Other Expenses	<u>1,398,637</u>	<u>135,126</u>	<u>79,659</u>	<u>214,785</u>	<u>1,613,422</u>
Total Functional Expenses	<u>\$ 1,968,822</u>	<u>\$ 286,551</u>	<u>\$ 193,868</u>	<u>\$ 480,419</u>	<u>\$ 2,449,241</u>

See accompanying Notes to Financial Statements.



**FOREIGN POLICY RESEARCH INSTITUTE  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (443,613)	\$ 234,616
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	15,919	20,301
Grants Restricted for Long-Term Purposes (Increase) Decrease in:		
Grants Receivable	55,350	148,650
Royalties and Other Receivables	7,571	5,157
Pledges Receivable	63,172	(210,050)
Prepaid Expenses and Deferred Charges	(5,016)	2,424
Decrease (Increase) in:		
Accounts Payable and Accrued Expenses	(14,584)	35,371
Deferred Income	6,340	4,526
Net Cash Provided (Used) by Operating Activities	(314,861)	240,995
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(314,861)	240,995
Cash and Cash Equivalents - Beginning of Year	1,185,048	944,053
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 870,187</b>	<b>\$ 1,185,048</b>

See accompanying Notes to Financial Statements.

**FOREIGN POLICY RESEARCH INSTITUTE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Foreign Policy Research Institute (the Institute) is devoted to bringing the insights of scholarships to bear on the development of policies that advance the United States of America's national interests. The Institute emphasizes the study of history, geography, and culture to illuminate contemporary international affairs. Derivative from this is the Institute's Butcher History Institute and Wachman Center for Civic and International Literacy, which provide professional development for high school teachers in American and world history and international affairs.

**Financial Statement Presentation**

The Institute is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions, depending on the existence or absence of any donor restrictions.

**Promises to Give and Contributions (Contract Receivable)**

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as net assets with donor restrictions or net assets without donor restrictions depending on the existence or absence of any donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements.

**Deferred Income**

Membership and partnership revenue is deferred at fiscal year-end. A proportionate amount of the yearly membership price is credited to revenue annually. Costs connected with the Institute's membership are expensed as incurred. Additionally, deferred income includes publication fees earned, but paid in the following year.

**Publications and Research Books**

Publication costs are expensed when incurred, and revenues are recorded when realized with the production, editorial, and sale, respectively, of publications by the Institute. The Institute has a supply of publications for sale which are not reflected in the statements of financial position. Also, the substantial collection of research books and periodicals maintained by the Institute is not reflected in the statements of financial position, as its value is not readily determinable.

**Equipment and Depreciation**

The Institute capitalizes all expenditures for equipment in excess of \$2,000. Equipment is capitalized at cost. Maintenance and repairs are charged to operations as incurred. Depreciation is computed on a straight-line basis using estimated useful lives of three to seven years. Depreciation expense for the years ended December 31, 2018 and 2017 was \$15,919 and \$20,301, respectively.

**FOREIGN POLICY RESEARCH INSTITUTE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Expenses**

The costs of the Institute's programs and supporting services have been reported on a functional basis. This requires the allocation of certain costs among the various programs and supporting services benefited based on estimates made by management.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Institute considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Grants Receivable**

The Institute expects contracts receivable to be fully collectible within one year. Accordingly, no allowance for doubtful accounts is required. Balances that are still outstanding after the Institute has used reasonable collection efforts are written off through a charge to operations.

**Donated Assets**

Donated marketable securities and other noncash donations are recorded as contributions at their fair market values at the date of donation.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Tax Status**

The Institute is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3) and applicable state law.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. If the Institute were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on income tax would be reported as income taxes. There are no unrecognized tax benefits identified or recorded as liabilities as of and for the years ended December 31, 2018 and 2017.

**Change in Accounting Principle**

The Institute adopted Financial Accounting Standards Board (FASB) ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, in 2018. With the exception of the disclosure on liquidity, these changes were applied retrospectively to ensure comparability with the prior year. The adoption did not impact the Institute's financial position as of December 31, 2018 and 2017 or the changes in its net assets for the years then ended.

**FOREIGN POLICY RESEARCH INSTITUTE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these financial statements, the Institute has evaluated subsequent events and transactions for potential recognition or disclosure through April 24, 2019, the date the financial statements were available to be issued.

**NOTE 2 CONCENTRATION OF CREDIT RISK**

The Federal Deposit Insurance Corporation (FDIC) currently insures up to \$250,000 of substantially all depository accounts held at each financial institution. At various times during the year, the Institute's cash deposits may exceed the federally insured limits. The Institute has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**NOTE 3 PLEDGES RECEIVABLE**

The Institute records unconditional promises to give as pledges receivable. Accounts are individually analyzed for collectability. Management determined no allowance for bad debts was necessary at December 31, 2018 and 2017. Pledges due beyond one year are discounted to the present value using a discount rate of 1.89%.

Pledges receivable consisted of the following at December 31:

	2018	2017
Receivable in Less Than One Year	\$ 60,000	\$ 75,000
Receivable in One to Five Years	90,000	140,000
Total	<u>150,000</u>	<u>215,000</u>
Less: Discounts to Present Value	3,122	4,950
Net Contribution Receivable	<u>\$ 146,878</u>	<u>\$ 210,050</u>

**FOREIGN POLICY RESEARCH INSTITUTE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods and net assets were released from donor restrictions by satisfying time and purpose restrictions as follows for the years ended at December 31, 2018:

	Beginning Balance	Gifts Received	Released from Restrictions	Ending Balance
<b>Restricted for Purpose:</b>				
Programs: Asia	\$ 224,134	\$ 125,000	\$ (168,814)	\$ 180,320
Programs: Eurasia	150,001	280,000	(242,697)	187,304
Programs: Middle East	-	125,000	(75,849)	49,151
Programs: Teaching Military History & Center for the Study of America and the West	280,066	-	(115,716)	164,350
Programs: Think Tanks and Civil Societies	12,253	-	(5,143)	7,110
Programs: 2018 Japan Study Trip for Teachers	105,386	-	(105,386)	-
Programs: Other History Institutes for Teachers	22,557	-	(22,557)	-
Fellows: Distinguished Research Fellow	-	100,000	(50,763)	49,237
Fellows: Templeton Fellows	100,000	100,000	(100,070)	99,930
Fellows: Veterans Fellow	53,907	36,000	(62,907)	27,000
Research: American Vulnerabilities Project	84,322	-	(28,774)	55,548
Research: Competitive Softpower	7,221	-	(7,221)	-
Research: Modern Competitive Environments in a Disordered World	3,383	-	(3,383)	-
Research: Managing the Second Nuclear Age	4,400	-	-	4,400
Rise of America's Special Operations Forces	22,971	-	(22,971)	-
Research: What is War?	31,074	-	(31,074)	-
Research: Nuclear Weapons and Russian-North Korean Relations	16,365	-	(16,365)	-
Research: Displacement & Dispossession in the 21st Century	48,878	-	-	48,878
Research: Russia's Political Economy	151,836	-	(151,836)	-
Research: Russian Power in the Pacific	150,100	-	(65,069)	85,031
Research: Reassessing the Jihadi Threat and Restoring Stability in the Fertile Crescent	96,223	-	(96,223)	-
Research: Teaching Critical Thinking with Historiography	9,975	-	(9,975)	-
Research: Engaging Arab Societies	26,400	-	-	26,400
Research: The Hunt for Mobile Missiles and Nuclear Stability	-	91,000	(18,183)	72,817
Research: Cyber Intrusion and the Threat to the U.S. Economy	-	66,000	(25,871)	40,129
Project: Intern Scholarships	10,000	-	(1,013)	8,987
Restricted for Purpose	<u>1,611,452</u>	<u>923,000</u>	<u>(1,427,860)</u>	<u>1,106,592</u>
<b>Restricted for Time:</b>				
Pledges for Operations: Restricted for Time	25,000	10,000	(25,000)	10,000
Total	<u>\$ 1,636,452</u>	<u>\$ 933,000</u>	<u>\$ (1,452,860)</u>	<u>\$ 1,116,592</u>

**FOREIGN POLICY RESEARCH INSTITUTE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets with donor restrictions are restricted for the following purposes or periods and net assets were released from donor restrictions by satisfying time and purpose restrictions as follows for the years ended at December 31, 2017:

	Beginning Balance	Gifts Received	Released from Restrictions	Ending Balance
<b>Restricted for Purpose:</b>				
Programs: Asia	\$ 209,914	\$ 125,000	\$ (110,780)	\$ 224,134
Programs: Eurasia	186,877	210,000	(246,876)	150,001
Programs: Middle East	-	100,000	(100,000)	-
Programs: Teaching Military History & Center for the Study of America and the West	153,019	275,050	(148,003)	280,066
Programs: Think Tanks and Civil Societies	861	49,250	(37,858)	12,253
Programs: 2018 Japan Study Trip for Teachers	-	105,386	-	105,386
Programs: Other History Institutes for Teachers	45,807	-	(23,250)	22,557
Fellows: Templeton Fellows	-	100,000	-	100,000
Fellows: Veterans Fellow	-	75,000	(21,093)	53,907
Research: American Vulnerabilities Project	289,377	-	(205,055)	84,322
Research: Competitive Softpower	24,094	-	(16,873)	7,221
Research: Development Economics During the Cold War	11,893	-	(11,893)	-
Research: Putinomics	33,162	-	(33,162)	-
Research: Modern Competitive Environments in a Disordered World	3,392	-	(9)	3,383
Research: Managing the Second Nuclear Age	4,400	-	-	4,400
Research: National Security	23,787	-	(23,787)	-
Rise of America's Special Operations Forces	-	45,000	(22,029)	22,971
Research: What is War?	-	50,000	(18,926)	31,074
Research: Before the Age of Prejudice: A Muslim Woman's Story	49,731	-	(49,731)	-
Research: Nuclear Weapons and Russian-North Korean Relations	144,890	-	(128,525)	16,365
Research: Displacement & Dispossession in the 21st Century	60,000	-	(11,122)	48,878
Research: Russia's Political Economy	-	190,000	(38,164)	151,836
Research: Russian Power in the Pacific	-	150,100	-	150,100
Research: Reassessing the Jihadi Threat and Restoring Stability in the Fertile Crescent	-	102,400	(6,177)	96,223
<i>Research: Teaching Critical Thinking with Historiography</i>	-	9,975	-	9,975
Research: Engaging Arab Societies	41,067	-	(14,667)	26,400
Project: Intern Scholarships	-	10,000	-	10,000
Projects: Staff Infrastructure, Website, and Outreach Development	34,000	8,070	(42,070)	-
Restricted for Purpose	<u>1,316,271</u>	<u>1,605,231</u>	<u>(1,310,050)</u>	<u>1,611,452</u>
<b>Restricted for Time:</b>				
Pledges for Operations: Restricted for Time	-	25,000	-	25,000
Total	<u>\$ 1,316,271</u>	<u>\$ 1,630,231</u>	<u>\$ (1,310,050)</u>	<u>\$ 1,636,452</u>

**FOREIGN POLICY RESEARCH INSTITUTE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 5 EMPLOYEE RETIREMENT PLAN**

The Institute has a contributory retirement plan in accordance with Section 403(b) of the Internal Revenue Code. Employees may contribute up to the limits allowable by the Internal Revenue Code. The Institute will match employee contributions up to 5% of their eligible salary.

For the years ended December 31, 2018 and 2017, pension expense was \$32,548 and \$27,537, respectively.

**NOTE 6 OPERATING LEASE COMMITMENTS**

The Institute leases its office in Philadelphia, Pennsylvania, under a long-term, noncancellable lease arrangement expiring December 31, 2020. The current minimum monthly base rent is \$8,293 with an increase occurring each January.

Rent expense for the years ended December 31, 2018 and 2017 was \$120,953 and \$115,315, respectively, which includes common building expenses.

The Institute also leases office equipment under long-term, noncancellable lease arrangements with minimum monthly payments of \$1,597, expiring from March 2020 through December 2023.

Office equipment lease expense for the years ended December 31, 2018 and 2017 was \$26,693 and \$47,299, respectively.

Future minimum annual lease payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 122,606
2020	123,691
2021	13,464
2022	13,464
2023	13,464
Total	<u>\$ 286,689</u>

**NOTE 7 LIQUIDITY**

As part of the Institute's liquidity management, cash in excess of daily requirements is invested in short-term investments, preserving approximately 60 days of normal operating expenses in liquid financial assets. The Institute does not have a board-designated reserve fund or a working capital line of credit.

**FOREIGN POLICY RESEARCH INSTITUTE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**NOTE 7 LIQUIDITY (CONTINUED)**

The Institute's financial assets available within one year of December 31, 2018 for general expenditures are as follows:

Cash and Cash Equivalents	\$ 870,187
Grants Receivable	350,000
Pledges Receivable	60,000
Royalties and Other Receivables	64,724
	<u>\$ 1,344,911</u>





Investment advisory services are offered through CliftonLarsonAllen  
Wealth Advisors, LLC, an SEC-registered investment advisor.