FOREIGN POLICY RESEARCH INSTITUTE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2025 AND 2024

FOREIGN POLICY RESEARCH INSTITUTE

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position, December 31, 2025 And 2024	3
Statements of Activities, Years Ended December 31, 2025 And 2024	4
Statements of Functional Expenses, Years Ended December 31, 2025 And 2024	5-6
Statements of Cash Flows, Years Ended December 31, 2025 And 2024	7
Notes To Financial Statements	8-17

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Foreign Policy Research Institute
Philadelphia, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

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, 2025, and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Foreign Policy Research Institute as of December 31, 2025, and 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Foreign Policy Research Institute 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 Foreign Policy Research Institute's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Foreign Policy Research Institute'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 Foreign Policy Research Institute'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.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
October 23, 2026

FOREIGN POLICY RESEARCH INSTITUTE

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 And 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$2,411,664	$2,008,884
Grants receivable	326,089	44,929
Investments	19,155	16,861
Pledges receivable	260,000	97,000
Royalties and other receivables	-	13,742
Prepaid expenses and other assets	4,276	13,316
Total current assets	3,021,184	2,194,732
PLEDGES RECEIVABLE, NET OF CURRENT PORTION	389,501	-
PROPERTY AND EQUIPMENT		
Equipment at cost	260,989	260,988
Less: accumulated depreciation	(201,757)	(188,134)
Total property and equipment	59,232	72,854
RIGHT OF USE ASSET - OPERATING	906,490	1,017,195
OFFICE LEASE SECURITY DEPOSIT	40,043	40,043
Total assets	$4,416,450	$3,324,824
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 108,015	$ 91,166
Operating lease liability, current portion	115,810	109,106
Deferred income	22,775	25,041
Total current liabilities	246,600	225,313
OTHER LIABILITIES	79,108	79,108
OPERATING LEASE LIABILITY, NET OF CURRENT PORTION	894,787	1,011,212
Total liabilities	1,220,495	1,315,633
NET ASSETS		
Without donor restrictions	1,005,373	886,161
With donor restrictions	2,190,582	1,123,030
Total net assets	3,195,955	2,009,191
Total liabilities and net assets	$4,416,450	$3,324,824

FOREIGN POLICY RESEARCH INSTITUTE

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2025 And 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	$ 597,252	$ 229,995	$ 827,247	$ 635,453	$ 346,949	$ 982,402
Grants	285,382	1,888,914	2,174,296	269,995	867,249	1,137,244
Memberships and partnerships	54,660	-	54,660	49,899	-	49,899
Royalties and editorial income	151	-	151	63,609	-	63,609
Event income	58,756	-	58,756	72,070	-	72,070
Investment income (loss), net	52,235	-	52,235	46,064	-	46,064
Other income	1,893	-	1,893	45,126	-	45,126
Total support	1,050,329	2,118,909	3,169,238	1,182,216	1,214,198	2,396,414
Net assets released from restrictions	1,051,357	(1,051,357)	-	1,209,851	(1,209,851)	-
Total support and revenue	2,101,686	1,067,552	3,169,238	2,392,067	4,347	2,396,414
EXPENSES						
Program	1,506,784	-	1,506,784	1,713,432	-	1,713,432
Management and general	132,900	-	132,900	164,561	-	164,561
Fundraising	342,790	-	342,790	422,180	-	422,180
Total expenses	1,982,474	-	1,982,474	2,300,173	-	2,300,173
CHANGE IN NET ASSETS	119,212	1,067,552	1,186,764	91,894	4,347	96,241
NET ASSETS						
Beginning of year	886,161	1,123,030	2,009,191	794,267	1,118,683	1,912,950
End of year	$ 1,005,373	$ 2,190,582	$ 3,195,955	$ 886,161	$ 1,123,030	$ 2,009,191

See accompanying notes to financial statements.

FOREIGN POLICY RESEARCH INSTITUTE

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2025

	Program	Supporting Services: Management And General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total
Salaries	$ 597,110	$ 79,657	$ 177,872	$ 257,529	$ 854,639
Employee health and retirement Benefits	34,501	5,949	10,582	16,531	51,032
Payroll taxes	43,835	5,636	13,150	18,786	62,621
Total salaries and related expenses	675,446	91,242	201,604	292,846	968,292
Office and equipment rentals	8,123	1,044	2,437	3,481	11,604
Depreciation	9,535	1,226	2,860	4,086	13,621
Dissemination	6,963	57	133	190	7,153
Honoraria and stipends	410,823	-	-	-	410,823
Information systems	63,212	7,581	18,476	26,057	89,269
Occupancy	103,762	13,341	31,128	44,469	148,231
Outside services	81,168	11,473	25,660	37,133	118,301
Supplies and postage	17,431	2,190	5,731	7,921	25,352
Telephone and internet	5,782	743	1,735	2,478	8,260
Travel	58,820	-	14,519	14,519	73,339
Conferences and lectures	35,243	-	21,279	21,279	56,522
Meetings	8,755	-	7,769	7,769	16,524
Subscriptions and memberships	388	-	388	388	776
Insurance	17,363	2,232	5,209	7,441	24,804
Finance charges	433	294	3,014	3,308	3,741
Other	3,537	1,477	848	2,325	5,862
Total other expenses	831,338	41,658	141,186	182,844	1,014,182
Total functional expenses	$ 1,506,784	$ 132,900	$ 342,790	$ 475,690	$ 1,982,474

See accompanying notes to financial statements.

FOREIGN POLICY RESEARCH INSTITUTE

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2024

	Program	Supporting Services: Management And General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total
Salaries	$ 759,224	$ 108,398	$ 249,844	$ 358,242	$ 1,117,466
Employee health and retirement benefits	57,886	7,879	15,313	23,192	81,078
Payroll taxes	56,596	8,323	18,311	26,634	83,230
Total salaries and related expenses	873,706	124,600	283,468	408,068	1,281,774
Office and equipment rentals	8,296	1,220	2,684	3,904	12,200
Depreciation	9,262	1,362	2,997	4,359	13,621
Dissemination	8,261	37	120	157	8,418
Honoraria and stipends	487,449	-	-	-	487,449
Information systems	51,336	7,549	17,474	25,023	76,359
Occupancy	98,646	14,507	31,915	46,422	145,068
Outside services	62,144	9,129	20,084	29,213	91,357
Supplies and postage	13,777	1,865	4,973	6,838	20,615
Telephone and internet	6,882	1,012	2,227	3,239	10,121
Travel	46,113	-	10,579	10,579	56,692
Conferences and lectures	18,231	-	29,928	29,928	48,159
Meetings	4,050	-	3,881	3,881	7,931
Subscriptions and memberships	2,116	-	2,116	2,116	4,232
Insurance	15,545	2,286	5,029	7,315	22,860
Finance charges	430	-	2,519	2,519	2,949
Other	7,188	994	2,186	3,180	10,368
Total other expenses	839,726	39,961	138,712	178,673	1,018,399
Total functional expenses	$ 1,713,432	$ 164,561	$ 422,180	$ 586,741	$ 2,300,173

See accompanying notes to financial statements.

FOREIGN POLICY RESEARCH INSTITUTE

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2025 And 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,186,764	$ 96,241
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	13,622	13,621
Unrealized gain on investments	(1,191)	(1,291)
Payments on operating leases	(136,469)	(133,392)
Amortization of right of use assets	137,453	138,434
(Increase) decrease in:		
Grants receivable	(281,160)	19,260
Royalties and other receivables	13,742	52,628
Pledges receivable	(552,501)	89,019
Prepaid expenses and other assets	9,040	10,434
Increase (decrease) in:		
Accounts payable and accrued expenses	16,849	21,123
Deferred income	(2,266)	(11,880)
Net cash provided (used) by operating activities	403,883	294,197
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant, and equipment	-	-
Purchases of investments	(1,103)	(856)
Net cash used in investing activities	(1,103)	(856)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	402,780	293,341
CASH AND CASH EQUIVALENTS		
Beginning of year	2,008,884	1,715,543
End of year	$2,411,664	$2,008,884

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Foreign Policy Research Institute ***("FPRI")*** 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. FPRI emphasizes the study of history, geography, and culture to illuminate contemporary international affairs. FPRI pursues its mission through Publications, Lectures, Webinars, Podcasts, Conferences, Research Projects conducted for Government Agencies and Private Foundations, and the engagement of Research Interns.

FINANCIAL STATEMENT PRESENTATION

Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of FPRI and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Resources over which FPRI has discretionary control.

Net Assets With Donor Restrictions – Those resources subject to donor-imposed restrictions which will be satisfied by actions of FPRI or passage of time.

CASH AND CASH EQUIVALENTS

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

INVESTMENTS

Investments are recorded at fair value based upon quoted market prices. Realized and unrealized gains and losses are reflected in the statements of activities as Investment Income.

CONTRIBUTIONS

FPRI recognizes contributions when cash, securities, or other assets, and unconditional promises to give are received. Conditional contributions include donor-imposed conditions that include one or more barriers that must be overcome and a right of return to the contributor for assets transferred or a right of release of the contributor from its obligation to transfer assets before FPRI is entitled to the assets transferred or promised. FPRI recognizes conditional contributions when the conditions are substantially met or waved. Unconditional contributions are classified as without donor restrictions unless there are 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 of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restrictions and reported in the statement of activities as "***net assets released from restrictions***."

PUBLIC AND PRIVATE GRANTS

FPRI receives funding (directly and indirectly) from federal awarding agencies or from private funding sources for direct and indirect program costs. Revenues from such grants are considered to be conditional contributions and are recognized as qualifying expenses are incurred. FPRI records revenue as with donor restrictions upon the incurrence of qualifying expenditures with a simultaneous release from restriction. FPRI recognized $328,342 and $182,849 of grant revenues based on direct expenditures and related indirect costs funded by conditional grants as of December 31, 2025 and 2024, respectively.

EQUIPMENT AND DEPRECIATION

FPRI 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 3 to 7 years. Depreciation expense for the years ended December 31, 2025 and 2024 was $13,621.

FUNCTIONAL EXPENSES

The costs of FPRI'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 direct charges or time and effort. Accordingly, certain costs have been allocated among the classifications benefited: program, management and general, and fundraising. Allocations of employee expenses are based on estimated hours tracked by function within their areas of work. Additional expenses are allocated at year-end based on specific percentages.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Memberships, Partnerships, and Royalty Income is considered to be reciprocal in nature. Editorial Income was considered reciprocal in nature for a contract that ended in 2024. Under the terms of the contract, both FPRI and funding source receives and gives up nearly equal value. Revenue from such contracts are recognized when customers obtain control of the promised good or service, which is generally over the service period.

Memberships and partnerships are reported at established rates. Editorial income in 2024 was a fixed fee paid biannually. Royalties is a variable amount that is paid out once a certain dollar amount has been achieved.

Revenue from memberships and partnerships is recognized ratably over the membership year. FPRI's performance obligations are to provide a minimum number of scheduled programs each year, impromptu briefings, and regular bulletins. As these performance obligations are satisfied over the course of a year, deferred income is reduced. Royalty income is recognized ratably throughout the term of the contract.

Receivable balances from these contracts are stated at their estimated net realizable values. The allowance for credit losses is based upon historical loss experience, current economic conditions, customer creditworthiness and other forward-looking factors. Management deemed an allowance for credit losses was not necessary at December 31, 2025 and 2024.

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 FPRI'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 FPRI. Also, the substantial collection of research books and periodicals maintained by FPRI is not reflected in the statements of financial position, as its value is not readily determinable.

LEASES

FPRI determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") assets – operating and lease liability – operating, and finance leases are included in ROU assets – financing and lease liability – financing in the statements of financial position.

ROU assets represent FPRI's right to use an underlying asset for the lease term and lease liabilities represent FPRI's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that FPRI will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

FAIR VALUE MEASUREMENTS

FPRI uses a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

FPRI does not have any securities that are valued using Level 2 or Level 3 inputs.

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

FPRI is exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and applicable state law. Accordingly, there is no provision for income taxes. FPRI is not aware of any activities that would jeopardize its tax-exempt status, nor is it aware of any of its activities that are subject to tax on unrelated business income taxes. FPRI follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The application of this standard has no impact on FPRI's financial statements, as management has not taken any uncertain tax positions in 2025.

(2) REVENUE FROM CONTRACTS WITH CUSTOMERS

PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION

Memberships and partnerships revenue are on an anniversary-date basis and are recognized ratably over the membership/partnership period. Royalty and editorial income is recognized ratably over the periods covered. Any receipts collected prior to year-end related to future periods are recorded as Deferred Income in the accompanying statements of financial position. Deferred income includes the unearned portion of memberships, partnerships and editorial income at the end of the fiscal year. Royalties receivable is revenue earned under the royalty agreement but not yet received.

The following table shows FPRI's revenues disaggregated according to the timing of the transfer of goods or services and by source for the years ended December 31:

	2025	2024
Revenue recognized over time:		
Memberships	$ 29,321	$ 33,066
Partnerships	25,340	16,833
Royalties	151	13,609
Editorial income	-	50,000
Total	$ 54,812	$ 113,508

FPRI's contract assets and liabilities consist of the following at December 31:

	2025	2024
Contract assets:		
Accounts receivable - royalties	$ -	$ 13,225
Total	$ -	$ 13,225
Contract Liabilities:		
Deferred revenue - memberships	$ 16,942	$ 13,457
Deferred revenue - partnerships	5,833	11,584
Total	$ 22,775	$ 25,041

(3) INVESTMENTS

Investments consist of the following at December 31:

	2025	2024
Mutual Fund – Vanguard Balanced Index Fund	$19,155	$16,861

Investment income consists of the following for the years ended December 31:

	2025	2024
Interest and dividends*	$51,044	$44,773
Net realized and unrealized gain	1,191	1,291
Total investment income, net	$52,235	$46,064

*Includes interest earned on money market funds.

(4) PLEDGES RECEIVABLE

FPRI 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, 2025 and 2024. Pledges due beyond one year are discounted to the present value using a discount rate of 3.60%. Pledges receivable consisted of the following at December 31:

	2025	2024
Receivable in Less Than One Year	$ 260,000	$ 97,000
Receivable in One to Five Years	425,000	-
Total	685,000	97,000
Less: Discounts to Present Value	(35,499)	-
Net Pledges Receivable	$ 649,501	$ 97,000

(5) 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 year ended at December 31, 2025:

	Beginning Balance	Revenue	Released From Restrictions	Ending Balance
Restricted for Purpose:				
Programs: Asia	$ 357,872	$ 387,655	$ (181,050)	$ 564,477
Programs: Eurasia	300,000	370,648	(445,648)	225,000
Programs: Intern Support	42,202	6,000	(15,730)	32,472
Programs: Middle East	-	15,000	-	15,000
Programs: Savitz Memorial Lecture on Cultural Diplomacy	13,849	-	-	13,849
Programs: Teaching Military History & Center for the Study of America and the West	21,407	-	(15,000)	6,407
Programs: ORBIS: Online Publication Editorial and Journal Services	-	55,000	(18,300)	36,700
Fellows: Distinguished Research Fellow	56,653	-	(4,904)	51,749
Fellows: Veterans Fellow	19,028	-	-	19,028
70th Anniversary	-	1,698	-	1,698
Research: National Security	8,000	343,162	(50,448)	300,714
Research: Stiftung Wissenschaft	433	2,297	-	2,730
Research: NATO	-	5,463	(5,463)	-
Research: Geopolitics	-	105,000	(105,000)	-
Research: Managing the Second Nuclear Age	4,400	-	-	4,400
Research: ONA Stein	-	15,000	(15,000)	-
Research: The "New Turkey" Revolution	12,686	-	(12,686)	-
Research: Displacement & Dispossession in the 21st Century	41,140	-	-	41,140
Research: Stress-Testing the China-Russia Relationship	123,428	-	(75,488)	47,940
Research: Drawing Lessons from the Russia-Ukraine War	66,451	-	-	66,451
Research: Africa Appeal	481	-	-	481
Research: Space Based Missile Defense	-	35,000	-	35,000
Research: October Israeli-led Air War in the Middle East	-	5,000	-	5,000
Research: Wargames	-	37,500	-	37,500
Research: Infrastructure Attacks	-	94,985	(94,985)	-
Research: Templeton Fellows	55,000	-	(11,655)	43,345
Total Restricted for Purpose	1,123,030	1,479,408	(1,051,357)	1,551,081
Restricted for Time:				
Pledges for Operations: Restricted for Time	-	639,501	-	639,501
Total	$ 1,123,030	$ 2,118,909	$ (1,051,357)	$ 2,190,582

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 year ended at December 31, 2024:

	Beginning Balance	Revenue	Released From Restrictions	Ending Balance
Restricted for Purpose:				
Programs: Asia	$ 318,914	$ 342,726	$ (303,768)	$ 357,872
Programs: Eurasia	290,000	373,600	(363,600)	300,000
Programs: Intern Support	73,182	(5,000)	(25,980)	42,202
Programs: Middle East Survey	-	10,000	(10,000)	-
Programs: Savitz Memorial Lecture on Cultural Diplomacy	25,849	-	(12,000)	13,849
Programs: Teaching Military History & Center for the Study of America and the West	21,407	20,000	(20,000)	21,407
Fellows: Distinguished Research Fellow	72,947	-	(16,294)	56,653
Fellows: Veterans Fellow	19,028	-	-	19,028
Research: Irregular Warfare	-	6,500	(6,500)	-
Research: National Security	-	74,660	(66,660)	8,000
Research: Stiftung Wissenschaft	-	2,088	(1,655)	433
Research: NATO	-	5,463	(5,463)	-
Research: Geopolitics	-	132,880	(132,880)	-
Research: Managing the Second Nuclear Age	4,400	-	-	4,400
Research: The "New Turkey" Revolution	21,011	-	(8,325)	12,686
Research: Displacement & Dispossession in the 21st Century	41,140	-	-	41,140
Research: Stress-Testing the China-Russia Relationship	-	150,800	(27,372)	123,428
Research: Drawing Lessons from the Russia-Ukraine War	105,828	-	(39,377)	66,451
Research: Africa Appeal	-	481	-	481
Research: Templeton Fellows	-	100,000	(45,000)	55,000
Total Restricted for Purpose	993,706	1,214,198	(1,084,874)	1,123,030
Restricted for Time:				
Pledges for Operations: Restricted for Time	124,977	-	(124,977)	-
Total	$ 1,118,683	$ 1,214,198	$ (1,209,851)	$ 1,123,030

(6) EMPLOYEE RETIREMENT PLAN

FPRI has a contributory retirement plan in accordance with Section 403(b) of the IRC. Employees may contribute up to the limits allowable by the IRC. FPRI will match employee contributions up to 5% of their eligible salary. For the years ended of December 31, 2025 and 2024, pension expense was $12,425 and $22,019, respectively.

(7) LEASES

FPRI leases its office in Philadelphia, Pennsylvania, under a long-term, noncancellable lease arrangement expiring September 30, 2033. The current minimum monthly base rent is $10,011. Rent expense for the years ended of December 31, 2025 and 2024 was $148,231 and $145,068, respectively, which includes common building expenses.

FPRI also leases office equipment under long-term, noncancellable lease arrangements with minimum monthly payments of $2,131, expiring through March 2028.

Office equipment lease expense for the years ended of December 31, 2025 and 2024 was $11,605 and $12,200, respectively.

The following tables provide quantitative information concerning FPRI's leases for the year ended December 31:

	2025	2024
Operating Lease Amounts:		
Right-of-use-assets	$ 906,490	$ 1,017,195
Operating lease liability	$ 1,010,598	$ 1,120,318
Other Information:		
Operating lease cost	$ 137,453	$ 138,434
Operating outgoing cash flows for operating leases	$ 136,469	$ 133,392
Weighted-average remaining lease term	7.6 years	8.6 Years
Weighted-average discount rate	2.52%	2.53%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of Year Ending December 31, is as follows:

Year Ending December 31,	Operating
2026	$ 139,630
2027	142,217
2028	136,525
2029	139,348
2030	142,846
Thereafter	441,911
Undiscounted cash flows	1,142,477
Less: imputed interest	(131,880)
Total present value	$ 1,010,597
Short-term lease liabilities	$ 115,810
Long-term lease liabilities	894,787
Total	$ 1,010,597

(8) LIQUIDITY

As part of FPRI's liquidity management, cash in excess of daily requirements is invested in short-term investments, preserving at least 60 days of normal operating expenses in liquid financial assets.

FPRI includes both restricted and operational assets being available for general expenditure within one year of December 31, which are as follows:

	2025	2024
Cash and Cash Equivalents	$2,411,664	$2,008,884
Investments	19,155	16,861
Grants Receivable	326,089	44,929
Pledges Receivable	260,000	97,000
Royalties and Other Receivables	-	13,742
	3,016,908	2,181,416
Board designated reserve	(600,000)	(600,000)
Total liquid assets	$2,416,908	$1,581,416

(9) 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, FPRI's cash deposits may exceed the federally insured limits. FPRI 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.

(10) RELATED PARTY TRANSACTIONS

FPRI received approximately $670,000 and $600,000 in contributions from members of its governing board for operations during the years ended December 31, 2025, and 2024, respectively.

(11) SUBSEQUENT EVENTS

In preparing these financial statements, FPRI has evaluated subsequent events and transactions for potential recognition or disclosure through October 23, 2026, the date the financial statements were available to be issued.