CERGE-EI FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP
551 FIFTH AVENUE - SUITE 400, NEW YORK, NY 10176
212-697-2299 FAX: 212-697-0067

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CERGE-EI Foundation

Opinion

We have audited the accompanying financial statements of CERGE-EI Foundation (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 CERGE-EI Foundation 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 CERGE-EI Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 CERGE-EI Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CERGE-EI Foundation'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 CERGE-EI Foundation'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.

Lutz + Carr, LLP

New York, New York
August 31, 2026

CERGE-EI FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 418,626	$ 553,272
Contributions receivable		
Without donor restrictions	22,133	33,991
Investments		
Non-endowment	2,850,719	4,116,154
Endowment	8,407,489	7,043,448
Accounts receivable	18,642	728
Prepaid expenses and other current assets	29,998	26,814
Property and equipment, at cost, net of accumulated depreciation	1,394	3,026
Total Assets	$11,749,001	$11,777,433
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 41,915	$ 52,850
Deferred tuition revenue	310,182	184,710
Grants payable	-	6,892
Total Liabilities	352,097	244,452
Net Assets		
Without Donor Restrictions		
Undesignated	2,342,217	3,830,991
Board designated	188,480	188,480
Total Without Donor Restrictions	2,530,697	4,019,471
With Donor Restrictions	8,866,207	7,513,510
Total Net Assets	11,396,904	11,532,981
Total Liabilities and Net Assets	$11,749,001	$11,777,433

See notes to financial statements.

CERGE-EI FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Changes in Net Assets Without Donor Restrictions		
Support and Revenue		
Contributions	$ 11,755	$ 781,236
Donated materials and services	33,710	31,179
Tuition income	2,316,700	1,659,680
Net investment income	217,707	240,416
Other income	70	-
	2,579,942	2,712,511
Net assets released from restrictions		
Satisfaction of time and purpose restrictions	210,867	329,672
Total Support and Revenue	2,790,809	3,042,183
Expenses		
Program Services	3,835,064	3,405,667
Supporting Services		
Management and general	134,368	159,791
Fundraising	310,151	168,238
Total Supporting Services	444,519	328,029
Total Expenses	4,279,583	3,733,696
Decrease in Net Assets Without Donor Restrictions	(1,488,774)	(691,513)
Changes in Net Assets With Donor Restrictions		
Contributions	337,632	339,894
Net investment income	1,225,932	258,727
Net assets released from restrictions	(210,867)	(329,672)
Increase in Net Assets With Donor Restrictions	1,352,697	268,949
Decrease in net assets	(136,077)	(422,564)
Net assets, beginning of year	11,532,981	11,955,545
Net Assets, End of Year	$11,396,904	$11,532,981

See notes to financial statements.

CERGE-EI FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025 WITH COMPARATIVE TOTALS FOR 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	2025 Total Expenses	2024 Total Expenses
Teaching fellows grants	$ 346,530	$ -	$ -	$ -	$ 346,530	$ 694,300
Research and other fellowships	706,140	-	-	-	706,140	620,567
Grants to CERGE-EI	557,495	-	-	-	557,495	320,163
Other grants	19,000	-	-	-	19,000	4,000
Salaries, payroll taxes and employee benefits	170,935	40,279	79,952	120,231	291,166	274,363
Instructor fees	91,964	-	-	-	91,964	136,771
AEP program expenses	1,350,399	-	-	-	1,350,399	778,766
Distance Learning program expenses	137,660	-	-	-	137,660	136,919
Teaching fellows administration and other expenses	137,000	-	-	-	137,000	168,984
Professional fees	17,541	32,726	151,378	184,104	201,645	196,243
Administrative consultant fees	74,773	46,733	12,017	58,750	133,523	112,142
Technology and internet	7,328	2,913	2,748	5,661	12,989	8,616
Rent	9,240	2,475	4,785	7,260	16,500	18,000
Office expenses	2,436	1,002	913	1,915	4,351	3,343
Conferences and meetings	13,121	-	-	-	13,121	50,070
Travel	2,292	1,013	35,199	36,212	38,504	25,740
Insurance	-	1,909	-	1,909	1,909	1,925
Special events	177,430	-	11,728	11,728	189,158	146,066
Bank charges	5,582	2,321	2,093	4,414	9,996	8,187
Miscellaneous	7,273	2,290	9,338	11,628	18,901	26,899
Total expenses before depreciation	3,834,139	133,661	310,151	443,812	4,277,951	3,732,064
Depreciation	925	707	-	707	1,632	1,632
Total Expenses, 2025	$3,835,064	$ 134,368	$ 310,151	$444,519	$4,279,583	
Total Expenses, 2024	$3,405,667	$ 159,791	$ 168,238	$328,029		$3,733,696

See notes to financial statements.

CERGE-EI FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	Total Expenses
Teaching fellows grants	$ 694,300	$ -	$ -	$ -	$ 694,300
Research and other fellowships	620,567	-	-	-	620,567
Grants to CERGE-EI	320,163	-	-	-	320,163
Other grants	4,000	-	-	-	4,000
Salaries, payroll taxes and employee benefits	129,474	48,297	96,592	144,889	274,363
Instructor fees	136,771	-	-	-	136,771
AEP program expenses	778,766	-	-	-	778,766
Distance Learning program expenses	136,919	-	-	-	136,919
Teaching fellows administration and other expenses	168,984	-	-	-	168,984
Professional fees	129,100	47,259	19,884	67,143	196,243
Administrative consultant fees	67,013	44,072	1,057	45,129	112,142
Technology and internet	4,394	2,154	2,068	4,222	8,616
Rent	8,280	3,240	6,480	9,720	18,000
Office expenses	1,636	803	904	1,707	3,343
Conferences and meetings	50,070	-	-	-	50,070
Travel	3,625	1,747	20,368	22,115	25,740
Insurance	-	1,925	-	1,925	1,925
Special events	138,914	-	7,152	7,152	146,066
Bank charges	4,175	2,047	1,965	4,012	8,187
Miscellaneous	7,787	7,344	11,768	19,112	26,899
Total expenses before depreciation	3,404,938	158,888	168,238	327,126	3,732,064
Depreciation	729	903	-	903	1,632
Total Expenses	$3,405,667	$ 159,791	$ 168,238	$328,029	$3,733,696

See notes to financial statements.

CERGE-EI FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Decrease in net assets	$ (136,077)	$ (422,564)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	1,632	1,632
Net realized and unrealized (gain) loss on investments	(251,197)	424,794
Contribution for endowment	(138,109)	-
(Increase) decrease in:		
Contributions receivable	11,858	38,779
Accounts receivable	(17,914)	7,702
Prepaid expenses and other current assets	(3,184)	(15,980)
Increase (decrease) in:		
Accounts payable and accrued expenses	(10,935)	(27,855)
Deferred tuition revenue	125,472	(93,175)
Grants payable	(6,892)	6,892
Net Cash Used By Operating Activities	(425,346)	(79,775)
Cash Flows From Investing Activities		
Purchase of investments	(1,147,409)	(963,771)
Proceeds from sale of investments	1,300,000	300,000
Net Cash Provided (Used) By Investing Activities	152,591	(663,771)
Cash Flows From Financing Activities		
Contribution for endowment	138,109	-
Net decrease in cash and cash equivalents	(134,646)	(743,546)
Cash and cash equivalents, beginning of year	553,272	1,296,818
Cash and Cash Equivalents, End of Year	$ 418,626	$ 553,272

See notes to financial statements.

CERGE-EI FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

CERGE-EI Foundation (the "Foundation") was founded with the purpose of raising funds to support CERGE-EI, a joint workplace in the field of economics, associated with two highly respected institutions, Charles University in Prague, and the Academy of Sciences of the Czech Republic. It also supports similar institutions and individuals engaged in modern economics in transition societies.

b - Cash and Cash Equivalents

The Foundation considers highly liquid investments with original maturities of three months or less from the date purchased and money market mutual funds to be cash equivalents, except for those managed by the Foundation's investment managers as part of their long term investment strategy.

c - Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Foundation uses the allowance method to determine the existence of any uncollectible grants and contributions receivable. The allowance, when necessary, is established based on prior years' experience and management's analysis of specific promises made.

d - Investments

The Foundation reflects investments at fair value in the statement of financial position. Investment income, including realized and unrealized gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investment income that is limited to specific uses by donor-imposed restrictions is reported as increases or decreases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

CERGE-EI FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Fair Value Measurements

Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs. A fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three levels:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Quoted prices for similar assets or liabilities, or inputs that are observable, either directly or indirectly, and reasonably available. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Fund.

Level 3 Unobservable inputs reflect the assumptions that the Foundation develops based on available information about what market participants would use in valuing the asset or liability.

f - Accounts Receivable

Accounts receivable consist of amounts due for tuition and fees, less an estimate for credit losses based on a review of all outstanding amounts. The Foundation determines the allowance for credit losses based on historical experience, an assessment of current economic conditions, and a review of subsequent collections. As of December 31, 2025 and 2024, no allowance was deemed necessary.

g - Property and Equipment

Property and equipment acquired in excess of $2,000 are recorded at cost. Property and equipment are being depreciated using the straight-line method over the estimated useful life of the asset.

h - Revenue Recognition

The Foundation’s tuition income is accounted for as an exchange transaction. Tuition income for the Academic Experience in Prague (“AEP”) program is recognized over the academic semester to which it relates. Spring and Fall semesters begin and end within the calendar year. Tuition for the following Spring semester is due by December of the preceding year, and when received is recorded as deferred revenue. Receivables are recorded for any tuition not yet received by the end of the semester.

i - Grants

Grants are accrued at the time authorized and awarded.

CERGE-EI FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

j - Financial Statement Presentation

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and Board of Directors.

Net Assets With Donor Restrictions

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

k - Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

l - Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and employee benefits, administrative consultant fees, technology and internet, office expenses, and depreciation, which are allocated on the basis of estimates of time and effort.

m - Prior Year Information

Certain 2024 amounts have been reclassified to conform to the presentation used in 2025.

n - Tax Status

CERGE-EI Foundation is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

CERGE-EI FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

o - Subsequent Events

The Foundation has evaluated subsequent events through August 31, 2026, the date that the financial statements are considered available to be issued.

Note 2 - Information Regarding Liquidity and Availability

The Foundation operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. Annual revenue is comprised primarily of contribution revenue and tuition revenue earned during the year. The Foundation considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those activities.

The Foundation regularly monitors liquidity to meet its operating needs and other commitments and obligations. Management prepares regular cash flow projections to determine liquidity needs and to ensure the ability to meet cash requirements. As part of the Foundation's liquidity management, the Foundation invests its cash in excess of daily requirements in certificates of deposit, mutual funds, and money market funds.

The Foundation's financial assets as of December 31, 2025 and 2024 available to meet cash needs for general expenditures within one year are summarized as follows:

	2025	2024
Financial Assets at Year End:		
Cash and cash equivalents	$ 418,626	$ 553,272
Contributions receivable	22,133	33,991
Investments	11,258,208	11,159,602
Accounts receivable	18,642	728
Total Financial Assets	11,717,609	11,747,593
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(458,718)	(470,062)
Plus: Net assets with donor restrictions expected to be met in less than one year	97,500	50,000
Board designated reserves	(188,480)	(188,480)
Less: Net assets with donor restrictions for endowment, subject to spending policy and appropriation	(8,407,489)	(7,043,448)
Plus: Amounts expected to be appropriated for use within one year	390,233	347,617
Financial Assets Available to Meet General Expenditures within One Year	$ 3,150,655	$ 4,443,220

CERGE-EI FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 3 - Net Assets

a - Net Assets Without Donor Restrictions - Board Designated Funds

Board Designated funds at December 31, 2025 and 2024 totaled $188,480, consisting of a $150,000 staff replacement reserve and a $38,480 video facility fund.

b - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following:

	2025	2024
Subject to expenditure for specific purposes or periods:		
Regional Research Competition	$ 87,515	$ 87,515
Institute for Democracy & Economic Analysis	161,765	186,765
Other	12,495	6,895
Armenian Economics Association	21,443	38,387
Stapleton Scholarship Awards	125,500	150,500
35th Anniversary event	50,000	-
	458,718	470,062
Endowments subject to spending policy and appropriation:		
Investment income above original gift amount:		
Citigroup Professorship	1,704,409	1,235,440
Citigroup Scholarship	1,136,273	823,627
Mellon Associate Professorship	1,136,273	823,627
Vannerson Scholarship	340,882	247,088
Svejnar-Terrell (teaching prize)	32,384	23,473
Jan Kmenta Library Fund	38,440	27,863
Teaching Fellows Scholarship	18,389	-
	4,407,050	3,181,118
Investment in perpetuity:		
Citigroup Professorship	1,500,000	1,500,000
Citigroup Scholarship	1,000,000	1,000,000
Mellon Associate Professorship	1,000,000	1,000,000
Vannerson Scholarship	300,000	300,000
Svejnar-Terrell (teaching prize)	28,500	28,500
Jan Kmenta Library Fund	33,830	33,830
Teaching Fellows Scholarship	138,109	-
	4,000,439	3,862,330
Total Endowments	8,407,489	7,043,448
Total Net Assets With Donor Restrictions	$8,866,207	$7,513,510

Note 4 - Contributions Receivable

Contributions receivable at December 31, 2025 and 2024 are due within one year. Uncollectible receivables are expected to be insignificant.

As of December 31, 2025, 68% of contributions receivable were due from an individual. As of December 31, 2024, 87% of contributions receivable were due from an individual and a foundation.

Note 5 - Investments

Investments, which are all classified as Level 1 within the fair value hierarchy, consist of the following:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Cash and money market funds	$ 2,395,187	$ 2,395,187	$ 3,694,137	$ 3,694,137
Mutual funds:				
Domestic equities	3,893,593	3,839,847	3,268,024	3,416,963
International equities	3,129,825	3,461,791	2,623,028	2,666,458
Domestic fixed income	1,591,974	1,561,383	1,572,885	1,382,044
	$11,010,579	$11,258,208	$11,158,074	$11,159,602

The components of the Foundation's net investment income for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Interest and dividend income	$1,192,442	$923,937
Net realized and unrealized gain (loss)	251,197	(424,794)
	$1,443,639	$499,143
Allocated to:		
Without donor restrictions	$ 217,707	$240,416
With donor restrictions - endowments	1,225,932	258,727
	$1,443,639	$499,143

CERGE-EI FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 6 - Endowment Funds

The Foundation's endowment consists of multiple individual donor-restricted endowment funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has interpreted the relevant Pennsylvania and New Jersey law as requiring the preservation of the historical dollar value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2025, and 2024, there were no such donor stipulations. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions for investment in perpetuity (a) the original value of initial and subsequent gifts donated to the donor-restricted endowment and (b) any accumulations to the donor-restricted endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund, consisting of accumulated investment earnings, that is not classified as perpetual in nature is classified as net assets with donor restrictions subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Foundation.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(i) the duration and preservation of the fund;
(ii) the purposes of the Foundation and the donor-restricted endowment fund;
(iii) general economic conditions;
(iv) the possible effect of inflation or deflation;
(v) the expected total return from income and the appreciation of investments;
(vi) other resources of the Foundation; and
(vii) the investment policies of the Foundation

The Foundation's endowment funds composition, by type of fund and net asset classification, are summarized as follows at December 31:

	With Donor Restrictions		
	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Donor-restricted endowment funds, 2025	$4,407,050	$4,000,439	$8,407,489
Donor-restricted endowment funds, 2024	$3,181,118	$3,862,330	$7,043,448

Note 6 - Endowment Funds (continued)

Changes in the Foundation's endowment funds with donor restrictions for the years ended December 31, 2025 and 2024 are summarized as follows:

	2025		
	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	$3,181,118	$3,862,330	$7,043,448
Contribution	-	138,109	138,109
Net investment income	1,225,932	-	1,225,932
Endowment Funds, End of Year	$4,407,050	$4,000,439	$8,407,489

	2024		
	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	$2,922,391	$3,862,330	$6,784,721
Net investment income	258,727	-	258,727
Endowment Funds, End of Year	$3,181,118	$3,862,330	$7,043,448

Return Objectives and Risk Parameters

The Foundation has adopted an investment policy for endowment assets that attempts to provide predictable returns and maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the Foundation's goal is to earn a stable and predictable amount of current income from the endowment, while reinvesting additional interest in years when the Foundation's investments do well.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Pursuant to Board instructions, the Foundation reviews investment allocation annually or more often as conditions warrant.

CERGE-EI FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 6 - Endowment Funds (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy
The Board of Directors has implemented a spending policy whereby 5% of the average endowment fair market value for the previous three years is appropriated for distribution annually. Transfers will not be made if doing so would bring the account value below the original endowment investment amount unless allowed under the terms of the gift. Also, the Board may reduce or increase this annual transfer if such a change Is deemed in the best interest of the Foundation. During the years ended December 31, 2025 and 2024, there were no appropriations for expenditure.

Note 7 - Property and Equipment

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

	Life	2025	2024
Computers	5 years	$8,096	$8,096
Less: Accumulated depreciation		(6,702)	(5,070)
		$1,394	$3,026

Note 8 - Concentrations

a - Concentration of Credit Risk
The Foundation maintains its cash and cash equivalents on deposits at various financial institutions. Balances that, at times, may exceed federally insured limits. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

b - Contributions
During the years ended December 31, 2025 and 2024, approximately 54% and 85%, respectively, of the Foundation's total contribution revenue was received from two donors.

CERGE-EI FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 9 - Related Party Transactions

Board members received payments for services provided to the Foundation's programs. Payments to board members totaled $48,025 (2025) and $104,466 (2024).

Note 10 - Donated Materials and Services

During the years ended December 31, 2025 and 2024, the Foundation received the following donated materials and services:

	2025	2024
Digital media services	$ 7,367	$ 8,760
Speaker fees and brief	8,500	8,761
Reception catering and space	14,463	5,000
Event materials	3,380	8,658
	$33,710	$31,179

Donated materials and services were utilized in connection with the Foundation's program and administrative supporting services and were valued by the service provider based on current rates charged for similar materials and services.