The Foundation for Economic Education, Inc.

Financial Statements
and Independent Auditor's Report

March 31, 2026

The Foundation for Economic Education, Inc.

Financial Statements
March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
The Foundation for Economic Education, Inc.

Opinion

We have audited the accompanying financial statements of The Foundation for Economic Education, Inc. ("the Foundation"), which comprise the statement of financial position as of March 31, 2026; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of March 31, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Rogers + Company PLLC

McLean, Virginia
October 30, 2026

The Foundation for Economic Education, Inc.

Statement of Financial Position
March 31, 2026

Assets		
Current assets:		
Cash and cash equivalents	$	482,764
Contributions receivable		43,836
Investments, short-term portion		7,962,760
Inventory		79,715
Prepaid expenses and other current assets		595,320
Right-of-use assets – operating leases, short-term portion		153,146
Total current assets		9,317,541
Noncurrent assets:		
Property and equipment, net		130,203
Right-of-use assets – operating leases, long-term portion		176,055
Investments, long-term portion		5,539,305
Cryptocurrencies		1,166,775
Assets held in charitable remainder trust		428,390
Assets held in trust		44,975
Total noncurrent assets		7,485,703
Total assets	$	16,803,244
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	$	291,685
Deferred grant revenue		454,445
Lease liabilities – operating leases, short-term portion		166,265
Total current liabilities		912,395
Lease liabilities – operating leases, long-term portion		197,395
Due to other beneficiaries of charitable remainder trust		158,895
Total liabilities		1,268,685
Net Assets		
Without donor restrictions		11,311,828
With donor restrictions		4,222,731
Total net assets		15,534,559
Total liabilities and net assets	$	16,803,244

See accompanying notes.

The Foundation for Economic Education, Inc.

Statement of Activities
For the Year Ended March 31, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	$ 6,074,989	$ 1,658,900	$ 7,733,889
In-kind contributions	458,124	-	458,124
Publications	17,333	-	17,333
Royalties	60,767	-	60,767
Investment return	383,293	452,995	836,288
Unrealized appreciation on cryptocurrencies	35,528	389,210	424,738
Change in value of split interests	-	31,332	31,332
Miscellaneous	27,089	-	27,089
Released from restrictions	860,154	(860,154)	-
Total revenue and support	7,917,277	1,672,283	9,589,560
Expenses			
Program services:			
Content	2,065,805	-	2,065,805
Programs	3,376,567	-	3,376,567
Other	443,942	-	443,942
Total program services	5,886,314	-	5,886,314
Supporting services:			
Management and general	675,567	-	675,567
Fundraising and development	933,436	-	933,436
Total supporting services	1,609,003	-	1,609,003
Total expenses	7,495,317	-	7,495,317
Change in Net Assets	421,960	1,672,283	2,094,243
Net Assets, beginning of year	10,889,868	2,550,448	13,440,316
Net Assets, end of year	$ 11,311,828	$ 4,222,731	$ 15,534,559

See accompanying notes.

The Foundation for Economic Education, Inc.

Statement of Functional Expenses
For the Year Ended March 31, 2026

	Program Services				Supporting Services			
	Content	Programs	Other	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	Total Expenses
Salaries	$ 1,074,524	$ 1,412,486	$ 158,288	$ 2,645,298	$ 175,276	$ 497,743	$ 673,019	$ 3,318,317
Payroll taxes and employee benefits	168,050	233,497	26,716	428,263	51,259	83,973	135,232	563,495
Professional fees and outside services	487,743	358,383	196,230	1,042,356	228,655	120,589	349,244	1,391,600
Employee travel	64,561	428,813	20,843	514,217	42,649	65,135	107,784	622,001
Marketing and promotion	144,127	361,374	5,933	511,434	5,491	4,353	9,844	521,278
Seminar student expense	15,380	436,105	17,279	468,764	8,556	27,533	36,089	504,853
Rent and occupancy	42,785	64,932	8,472	116,189	55,585	21,175	76,760	192,949
Printing and postage	2,720	7,013	539	10,272	3,535	78,995	82,530	92,802
Human resource, legal, and state registration fees	3,927	9,771	814	14,512	66,229	1,948	68,177	82,689
Office expenses and other	38,820	8,858	895	48,573	5,769	3,706	9,475	58,048
Grants	750	21,058	5,000	26,808	16,417	-	16,417	43,225
Insurance	6,501	10,202	1,348	18,051	8,844	3,226	12,070	30,121
Depreciation and amortization	7,405	13,882	740	22,027	1,756	6,181	7,937	29,964
Bank charges	2,219	3,514	460	6,193	3,019	17,311	20,330	26,523
Dues and subscriptions	6,293	6,679	385	13,357	2,527	1,568	4,095	17,452
Total Expenses	$ 2,065,805	$ 3,376,567	$ 443,942	$ 5,886,314	$ 675,567	$ 933,436	$ 1,609,003	$ 7,495,317

See accompanying notes.

The Foundation for Economic Education, Inc.

Statement of Cash Flows
For the Year Ended March 31, 2026

Cash Flows from Operating Activities		
Change in net assets	$	2,094,243
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gain on investments		(119,416)
Realized gain on investments		(444,246)
Unrealized appreciation on cryptocurrencies		(424,738)
Depreciation and amortization		29,964
Change in value of charitable remainder trust		(70,743)
Amortization on right-of-use assets – operating leases		132,230
Change in operating assets and liabilities:		
Decrease (increase) in:		
Contributions receivable		99,032
Inventory		(3,343)
Prepaid expenses and other current assets		(512,984)
Increase (decrease) in:		
Accounts payable and accrued expenses		140,920
Deferred grant revenue		435,941
Lease liabilities – operating leases		(140,466)
Due to other beneficiaries of charitable remainder trust		40,435
Net cash provided by operating activities		1,256,829
Cash Flows from Investing Activities		
Purchases of property and equipment		(14,341)
Purchases of investments		(1,868,608)
Proceeds from sales of investments		768,508
Net cash used in investing activities		(1,114,441)
Net Increase in Cash and Cash Equivalents		142,388
Cash and Cash Equivalents, beginning of year		340,376
Cash and Cash Equivalents, end of year	$	482,764
Noncash Transactions		
Establishment of right-of-use assets – operating leases	$	99,071
Establishment of lease liabilities – operating leases	$	99,071
Supplementary Disclosure of Cash Flow Information		
Cash paid for income taxes	$	18,192

See accompanying notes.

The Foundation for Economic Education, Inc.

Notes to Financial Statements
March 31, 2026

1. Nature of Operations

The Foundation for Economic Education, Inc. ("the Foundation") is a nonprofit foundation incorporated in the State of New York. Its mission is to inspire, educate, and connect young adults with the economic, ethical, and legal principles of a free society. These principles include individual liberty, free-market economics, entrepreneurship, private property, high moral character, and limited government. The Foundation produces nationwide seminars, classroom resources, social media, free online courses, and engaging daily content at FEE.org—all educating on the ideas of a free society.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Foundation's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash Equivalents

For the purpose of the statement of cash flows, the Foundation considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase.

2. Summary of Significant Accounting Policies (continued)

Contributions Receivable

Contributions receivable are recorded at net realizable value or at net present value based on projected cash flows, and represent unconditional amounts committed to the Foundation. Contributions receivable due in more than one year are discounted to present value based on management's estimate of the risk-adjusted rate of return. Management determines the allowance for doubtful receivables based upon review of outstanding receivables, historical collection information, and existing economic conditions. At March 31, 2026, all contributions receivable are expected to be collected within one year. Management believes that all contributions receivable are collectible at March 31, 2026, and no allowance for uncollectible accounts are established.

Investments

Investments consist of money market funds, common stocks, mutual funds, exchange-traded funds, and a privately-held S-Corporation. Investments in marketable securities are recorded at fair value based on quoted market prices. Interest and dividends, along with realized and unrealized gains and losses, are reported as components of investment return in the accompanying statement of activities.

Certain privately-held S-Corp holding investments have no readily determinable market value and are valued at fair value based on an annual independent third-party valuation. Because of the inherent uncertainty of valuation, it is reasonably possible that estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. In addition, certain investments may also have risk associated with concentrations of investments in one geographic region and in certain industries. The privately-held S-Corp's ability to liquidate certain of its investments may be inhibited since the issuers may be privately held or the privately-held S-Corp may own a relatively large portion of the issuers' equity securities.

Assets Held in Trust

The Foundation is the sole beneficiary of a trust established for its benefit under an agreement that designates the then-serving president of the Foundation as trustee. The agreement permits trust income to be distributed to the Foundation and requires that the principal remain in the trust. Because the Foundation is the only beneficiary and, through its president as trustee, directs the trust's investments, the trust's assets are reported as assets of the Foundation at fair value. The trust is not accounted for as a split-interest agreement, as no other party has a beneficial interest in the trust.

2. Summary of Significant Accounting Policies (continued)

Cryptocurrencies

The Foundation's investment policy does not allow direct purchase of cryptocurrencies, and all holdings of cryptocurrencies have been received from outside donors. The Foundation holds cryptocurrencies for appreciation where required by donor intent and utilizes the value as a peer-to-peer payment system in the normal course of business operations.

The Foundation has the capability to transact in various types of cryptocurrencies. The majority of cryptocurrencies held by the Foundation consist of Bitcoin Cash (BCH). BCH trades on all major platforms, and the Foundation considers it to be liquid. The advantage is that larger blocks are processed on the blockchain, allowing for fast transactions times and minimal fees.

All cryptocurrencies held by the Foundation are reported at fair value as determined by digital asset market exchanges with realized appreciation and depreciation calculated on a trade date basis as the difference between the fair value and donated value of cryptocurrencies transferred. The Foundation recognizes the fair value changes in unrealized appreciation or depreciation on cryptocurrencies in the accompanying statement of activities.

Inventory

The Foundation maintains an inventory of its publications for sale, including books, pamphlets, and magazines to be given away or sold at conferences and seminars. Additionally, inventory consists of logo items and other small branding items. Inventory is stated at the lower of cost or market determined on a first-in, first-out basis. The Foundation periodically reviews inventory for slow-moving or obsolete items and determines if a reserve is necessary. At March 31, 2026, there was no obsolete inventory.

Property and Equipment

Property and equipment acquisitions with a cost greater than $1,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, which range from three to 39 years. Upon disposal of depreciable assets, the cost and related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to income. Leasehold improvements are amortized over the term of the lease. Expenditures for repairs and maintenance are expensed as incurred.

2. Summary of Significant Accounting Policies (continued)

Operating Leases

The Foundation determines if an arrangement is a lease at inception. Operating lease is included in the right-of-use (ROU) assets, which represent the Foundation's right to use an underlying asset for the lease terms, and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. Operating ROU lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Foundation's lease does not provide an implicit rate, the Foundation used a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The Foundation has elected to separately account for lease and nonlease components and to recognize ROU assets and lease liabilities for short-term leases with a term of 12 months or less.

The ROU assets also include any lease payments made and exclude lease incentives. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for lease payments is recognized in a straight-line basis over the lease term.

Split-Interest Agreements

The Foundation receives certain planned gift donations that benefit not only the Foundation, but also another beneficiary designated by the donor. These contributions are termed split-interest agreements that consist of a charitable remainder trust. Irrevocable split-interest agreements are recorded as revenue when the trust agreements are executed. Revenue from the split-interest agreements is based on the present value of the expected cash flows to be received by the Foundation.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Unconditional, nonreciprocal grants and contributions are recognized as revenue upon receipt of cash, securities, or other assets; an unconditional promise to give; or notification of a beneficial interest. The Foundation reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Foundation's programs or to a future year.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

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 statement of activities as net assets released from restrictions.

Conditional contributions contain a donor-imposed condition that represents a barrier that must be overcome before the Foundation is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets. Conditional contributions are recognized as revenue, either with or without donor restrictions, when donor-imposed conditions are substantially met, and any barriers are overcome. Donor restrictions are also satisfied when qualifying expenditures are incurred for the donor-specified program.

The Foundation receives certain promises to give, collected over multiple accounting periods, and classifies the portion receivable in future accounting periods as restricted revenue. The Foundation discounts the promises to give using an appropriate discount rate over the contribution period, if material.

Milestone grants are recorded as revenue when grant milestones are achieved. Funds received in advance and not spent are included in deferred grant revenue in the accompanying statement of financial position at March 31, 2026. Any grant expenses related to work in progress before the milestone is complete are recorded as grants receivable in the accompanying statement of financial position. At March 31, 2026, deferred grant revenue for the milestone grants totaled $454,445.

Revenue Accounted for as Contracts with Customers

Revenue is recognized when the Foundation satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Foundation expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Foundation combines it with other performance obligations until a distinct bundle of goods or services exists.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for as Contracts with Customers (continued)

Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred grant revenue in the statement of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Royalty revenue is evaluated and recognized based on the underlying agreement, usually over the term of the agreement. The Foundation recognizes base revenue from royalty agreements ratably over the term of the agreements, while additional annual royalty amounts paid under the agreements are recognized in the year earned.

Publication revenue is recognized when the product is delivered.

In-Kind Contributions

The value of contributions that enhance a nonfinancial asset, which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying statement of activities as in-kind contributions. In-kind contributions that meet the criteria for recognition are recognized at fair value at the time of donation. Donated services consist of advertising professional services. These donated services are recorded in in-kind contributions in the accompanying statement of activities for the year ended March 31, 2026 in the amount of $458,124.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the accompanying statement of activities. The accompanying statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (continued)

Advertising and Promotional Expenses

The Foundation expenses advertising and promotional costs as incurred.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 30, 2026, the date the financial statements were available to be issued.

3. Liquidity and Availability

The Foundation strives to maintain liquid financial assets sufficient to cover its general expenditures. Management periodically reviews the Foundation's liquid asset needs and adjusts the cash and cash equivalents balances as necessary. Amounts in excess of operating liquidity are invested in various short-term and highly liquid securities.

The Foundation relies entirely on private donations, and accordingly, the Board of Trustees and Management recognize the need to maintain substantial cash and fixed income assets necessary to maintain operations through seasonal periods of lower contributions and potential economic downturns. The Board of Trustees' approved policy requires a minimum reserve for operations at the beginning of each fiscal year, equivalent to 25% of the upcoming fiscal year's operating budget, excluding any expenses with dedicated donor funding. The Foundation also requires a reserve controlled by the Board of Trustees set aside for contingencies, which is equal to 20% of the same budget. Both the operational reserve and the contingency reserve are held in ultra short-term bond exchange-traded funds.

Financial assets that are available for general expenditures within one year of the statement of financial position date comprise the following at March 31, 2026:

Cash and cash equivalents	$	482,764
Contributions receivable		43,836
Investments, short-term portion		7,962,760
Total available for general expenditures	$	8,489,360

4. Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Foundation maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Foundation has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

5. Investments and Fair Value Measurements

Investment return consists of the following for the year ended March 31, 2026:

Interest and dividends	$	272,626
Realized gain on investments		444,246
Unrealized gain on investments		119,416
Total investment return	$	836,288

There were no investment management fees incurred for the year ended March 31, 2026, as the Foundation's investment portfolio is not actively managed.

The Foundation follows Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurement,* for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. The Foundation recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

5. Investments and Fair Value Measurements (continued)

The Foundation used the following methods and significant assumptions to estimate fair value of assets and liabilities:

Investments

Mutual Funds

The Foundation's holdings in publicly traded mutual funds consist principally of debt and equity securities carried at their aggregate market value that is determinable by quoted market prices. Valuation is based on Level 1 inputs within the hierarchy used in measuring fair value.

Privately Held S-Corp Holding

The Foundation had a 1.17% ownership in a privately held S-Corporation at March 31, 2026. Investment in private company stock is determined using techniques consistent with both the market and income approaches, based on the estimates and assumptions in the absence of observable market data.

The market approach considers comparable companies, comparable transactions, and company-specific information including but not limited to restrictions on disposition, subsequent purchases of the same or similar securities by other investors, pending mergers and acquisitions, and the current financial position and operating results. The income approach considers the projected operating performance of the portfolio company.

The private valuation of the company is performed annually by Gordon Brothers, an independent global advisory investment firm. The valuation is then provided to its investors, including the Foundation, which use the valuation report to adjust the value of ownership. Valuation is based on Level 3 inputs within the investment hierarchy used in measuring fair value.

5. Investments and Fair Value Measurements (continued)

Charitable Remainder Trusts

The assets held in the Warren Trust consist of money market funds, mutual funds, and exchange-traded funds. These investments are measured at fair value using quoted market prices and are classified within Level 1 of the fair value hierarchy.

Assets Held in Trust

The Foundation is the sole beneficiary of the Krogdahl Trust, which is held under an agreement that names the then-serving president of the Foundation as trustee. The trustee directs the investment of the trust's assets and approves distributions of income to the Foundation, subject to the consultation requirements of the agreement. Because the Foundation controls the trust and is its only beneficiary, the trust's assets are reported at fair value in the accompanying statement of financial position rather than as a beneficial interest in assets held by others. The trust's assets consist of mutual funds and exchange-traded funds that are valued at quoted market prices in active markets and are therefore classified within Level 1.

Cryptocurrencies

Cryptocurrencies consist of BCH and ether (ETH), as defined in Note 2. These cryptocurrencies are carried at their fair value and are revalued to their current market at each reporting date. Fair value is determined based on the price quoted on the digital asset market exchange, which is an average of quoted rates from various cryptocurrency exchanges.

The Foundation classifies its digital currencies as a Level 1 input as these digital asset markets are readily available and values are constantly observable in these traded markets.

5. Investments and Fair Value Measurements (continued)

The following table presents the Foundation's fair value hierarchy for assets measured on a recurring basis at March 31, 2026:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Money market funds	$ 73,932	$ -	$ -	$ 73,932
Mutual funds	1,671,406	-	-	1,671,406
Exchange-traded funds	8,006,727	-	-	8,006,727
Privately held S-corp holding	-	-	3,750,000	3,750,000
Total investments	9,752,065	-	3,750,000	13,502,065
Assets held in charitable remainder trust:				
Money market funds	417	-	-	417
Exchange-traded funds	270,749	-	-	270,749
Mutual funds	157,224	-	-	157,224
Total assets held in charitable remainder trust	428,390	-	-	428,390
Assets held in trust				
Mutual funds	23,207	-	-	23,207
Exchange-traded funds	21,768	-	-	21,768
Total assets held in trust	44,975	-	-	44,975
Cryptocurrencies:				
BCH	1,158,333	-	-	1,158,333
ETH	8,442	-	-	8,442
Total cryptocurrencies	1,166,775	-	-	1,166,775
Total assets at fair value	$ 11,392,205	$ -	$ 3,750,000	$ 15,142,205

5. Investments and Fair Value Measurements (continued)

The following table presents the Foundation's fair value hierarchy for liabilities measured on a recurring basis at March 31, 2026:

	Level 1	Level 2	Level 3	Total
Liabilities:				
Charitable remainder trust	$ -	$ -	$ 158,895	$ 158,895
Total liabilities at fair value	$ -	$ -	$ 158,895	$ 158,895

Level 3 Inputs

In cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy. Activities for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) were as follows for the year ended March 31, 2026:

	Privately Held S-Corp Holding
Beginning asset balance	$ 4,243,050
Unrealized loss	(493,050)
Ending asset balance	$ 3,750,000

Activities for liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) were as follows for the year ended March 31, 2026:

	Charitable Remainder Trust
Beginning liability balance	$ 118,460
Change in value	40,435
Ending liability balance	$ 158,895

6. Split-Interest Agreements

Assets Held in Charitable Remainder Trust

The Foundation is a trustee for one charitable remainder trust: *Warren Trust.* The fair value of assets held by the trust is reported as an asset. The asset is offset by a liability presented in the accompanying statement of financial position as "due to other beneficiaries of charitable remainder trust."

Beneficial Interest in Third-Party Trusts

The Foundation is a remainderman to certain charitable remainder trusts. Upon the death of the beneficiaries of these remainder trusts, the assets will revert to the Foundation to be used according to the donors' wishes. Assets held in trust by and for the Foundation are valued at either fair value, or at the discounted present value of the estimated future receipts from the trusts. Where applicable, estimated future payments are discounted at a risk-free rate of return based on the expected term of the split-interest agreements at the time the agreements are created. This discount ranges from 3-6%.

The Foundation is the beneficiary of two charitable remainder trusts that are held and administered by others on its behalf. The Foundation's right to these trust assets remains conditional, and, therefore, the Foundation's share of trust assets is not recorded in the accompanying statement of financial position.

When the conditional status is changed such that the Foundation has an unconditional right to these trust assets, the related investments will be recorded in the statement of financial position. There was no distribution from either of these trusts to the Foundation during the year ended March 31, 2026.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at March 31, 2026:

Net assets with purpose restrictions:		
Levy – Affordability Contest	$	681,310
Scaife – Educator Engagement		186,416
Hecht – Canada Seminar		90,000
Maughmer/WSU Project		70,867
HRJ – Project Nexus		52,656
Fieldstead – Liberty in Asia		35,000
Whitman Scholarships		33,890
Western Mass. Discussion		6,747
Total net assets with purpose restrictions		1,156,886
Endowment funds:		
Unappropriated endowment earnings:		
Maughmer Bequest		316,789
Fund for Liberty Education		17,371
Berkheimer Endowment		27,592
Warren Trust		56,578
Charlene Barr Chalberg Endowment		22,883
Krogdahl Trust		12,927
Perpetual in nature:		
Maughmer Bequest		1,108,055
Fund for Liberty Education		1,000,000
Berkheimer Endowment		223,986
Warren Trust		157,617
Charlene Barr Chalberg Endowment		90,000
Krogdahl Trust		32,047
Total endowment funds		3,065,845
Total net assets with donor restrictions	$	4,222,731

8. Endowment

The Foundation's endowment has been funded by donor-restricted contributions to be held in perpetuity, the earnings of which can be used to fund either specific programs or general operations. The endowment funds consisted of the following:

- The *Maughmer Bequest* requires that 20% of net earnings be expended for agreed-upon projects of the Foundation for Economic Education-Maughmer Fund, located at Washington State University. The remaining 80% of net earnings is required to be expended by the Foundation on the education of students in the Mountain and/or Pacific States.

- The *Roger Ver Endowed Bitcoin Cash Fund for Liberty Education* consists of a donor's gift of $1,000,000 in BCH that is required to be maintained in BCH perpetually, serving as the corpus of the endowment. Appreciation is evaluated annually each January, and those earnings are available to spend only in the form of BCH in the subsequent calendar year. Earnings from the fund are to be used for any expenditures supporting the Foundation's mission, and are required to be spent in the form of BCH, as no conversion to fiat is allowed. If the earnings remain unspent in the second fiscal year, the earnings will be added to the corpus amount of the endowment, and may not be carried forward to any future year's disbursements.

- The *Berkheimer Endowment* requires that income generated from the endowment be first added to corpus up to the Consumer Price Index of the fund, and the remaining balance is to be used for unrestricted purposes.

- The *Warren Trust* does not restrict the use of income generated and, therefore, can be used for unrestricted purposes. The corpus of the trust was equally divided between the Foundation and another not-for-profit foundation. The funds are held in a separate investment account and the income generated, if any, is distributed in accordance with the trust. The Foundation's share of the corpus is reflected as net assets with donor restrictions, and is reported as an investment in the accompanying statement of financial position.

- The *Charlene Barr Chalberg Endowment* requires that the income generated from the endowment be used for "Charlene Barr Memorial Scholarships" to support high school students attending the Freedom 101 Program.

- The *Krogdahl Trust* requires that the principal remain in the trust. The trustee may accumulate or distribute net income to support the Foundation's activities and programs in accordance with the trust agreement. Each succeeding president of the Foundation serves as trustee.

8. Endowment (continued)

Interpretation of Relevant Law

The Foundation's Board of Trustees has interpreted New York's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. A portion of each donor-restricted endowment fund is appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) duration and preservation of the fund; (2) purposes of the Foundation and the donor-restricted endowment fund; (3) general economic conditions; (4) possible effect of inflation and deflation; (5) expected total return from income and the appreciation or depreciation of investments; (6) other resources of the Foundation; and (7) investment policies of the Foundation.

Return Objectives, Risk Parameters, and Strategies

The Foundation's investment policies are monitored and approved by its Finance and Investment Committee. This committee consists of the Chairman (non-voting member), Treasurer, and two at-large members with financial backgrounds. The Treasurer reviews the investment performance prior to each meeting of the Board of Trustees. The committee meets at least annually to consider investment performance and its standing instruction to internal management.

8. Endowment (continued)

Return Objectives, Risk Parameters, and Strategies (continued)

Liquid assets may be held in insured bank accounts and separate brokerage accounts, and invested in low-cost index funds, mutual funds, or exchange-traded funds, which may invest in or reference publicly-traded common and preferred stocks, convertible bonds, and fixed income securities. No other securities are permissible without approval from the committee, and individual holding of equities and debt is not allowable. While the Foundation receives contributions in the form of equity, its policy is to convert the equity investments to approved types of investments (as noted above) as soon as possible.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported by the Foundation in net assets with donor restrictions. There were no deficient funds at March 31, 2026.

Composition of Endowment Net Assets

Endowment net asset composition by type of fund was as follows at March 31, 2026:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Perpetual in nature	$ -	$ 2,611,705	$ 2,611,705
Unappropriated endowment earnings	-	454,140	454,140
Total endowment funds	$ -	$ 3,065,845	$ 3,065,845

8. Endowment (continued)

Changes in Endowment Net Assets

Changes in endowment net assets were as follows for the year ended March 31, 2026:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds, beginning	$ -	$ 2,439,454	$ 2,439,454
Investment return:			
Interest and dividends	-	33,104	33,104
Net realized and unrealized gain	-	415,644	415,644
Unrealized appreciation on cryptocurrencies	-	389,210	389,210
Total investment return	-	837,958	837,958
Appropriations of endowment assets for expenditures	-	(211,567)	(211,567)
Endowment funds, ending	$ -	$ 3,065,845	$ 3,065,845

9. Property and Equipment

Property and equipment consists of the following at March 31, 2026:

Computer equipment	$ 508,745
Software	571,795
Leasehold improvements	34,958
Furniture and fixtures	12,407
Total property and equipment	1,127,905
Less: accumulated depreciation and amortization	(997,702)
Property and equipment, net	$ 130,203

10. Commitments and Contingencies

Operating Leases

On October 20, 2022, the Foundation entered into an office lease agreement which commenced on November 1, 2022 and expires on March 31, 2028. The lease calls for an annual rent increase of 3%, and it includes both a leasehold improvement allowance amounting to $32,167 and a rental credit of $47,155 against the monthly installments of base rent first coming due under the lease.

The Foundation leases additional office space at a different location under an operating lease agreement that commenced on July 1, 2022 and was originally scheduled to expire on July 31, 2025. The lease agreement required monthly rent installments that increase at an annual rate of 3.5%. The lease also provided for rent abatement. In June 2025, an amendment was made to the lease to extend the expiration date to August 31, 2028. The amendment contains terms including one month of rent abatement period and an annual rent increase of 3.5%.

The Foundation also leases office equipment under an operating lease, which commenced in February 2025 and expires January 2028. The lease requires fixed monthly payments throughout the term of the lease.

Supplemental qualitative information related to the operating leases is as follows for the year ended March 31, 2026:

Operating lease cost	$	173,440
Cash paid for amounts included in the measurement of lease liabilities – operating cash flows	$	139,677
ROU assets obtained in exchange for lease obligations	$	99,071
Weighted-average remaining lease term (in years)		2.3
Weighted-average discount rate		5.12%

10. Commitments and Contingencies (continued)

Operating Leases (continued)

Maturities of the lease liabilities under the Foundation's operating leases are as follows for the years ending March 31:

2027	$	162,690
2028		166,973
2029		55,806
Total minimum lease payments		385,469
Less: discount to present value at 5.12%		(21,809)
Present value of operating lease liabilities	$	363,660

11. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Program expenses represent direct costs that result in the Foundation fulfilling its mission. Fundraising and development expenses represent costs that involve seeking, soliciting, or securing grants and contributions. Management and general expenses represent costs necessary for the operations of the Foundation that are not easily identifiable with specific program or fundraising activities.

The Foundation has three programs:

- *Content* represents the creation and distribution of written, audio, and video content promoting the study of free-market economics, entrepreneurship, and the philosophy of self-responsibility.

- *Programs* represents educational programs for students and educators promoting entrepreneurship, self-responsibility, and a general understanding of economics and sound public policy.

- *Other* represents the Education Entrepreneurship Lab, which supports education entrepreneurs through research, publishing, and convening.

11. Functionalized Expenses (continued)

The Foundation utilizes direct allocation for specific expenses, such as cost of goods sold and professional fees, as these types of expenses can be directly associated with certain functions. The majority of the expenses for the Foundation are allocated using the indirect allocation method. The expenses that are allocated using the indirect method include salaries, payroll taxes, and employee benefits, among other types of expenses, and are allocated on the basis of estimates of time and effort.

12. Retirement Plan

On February 1, 2017, the Foundation began sponsoring a 401(k) plan, which substantially covers all employees meeting certain age and service requirements. All employees are eligible to participate in the 401(k) plan after one year of employment. The Foundation matches 50% of all employee contributions to the 401(k) plan, and the matching contribution has a limit of $4,000. During the year ended March 31, 2026, the Foundation contributed $50,621 in matching contributions for the employee contributions to this plan.

13. Income Taxes

The Foundation is exempt from payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Foundation holds an investment in an S-Corporation that is considered a pass-through entity under the IRC. Accordingly, the Foundation is liable for any income tax generated from this unrelated business income received from its investment.

During the year ended March 31, 2026, the Foundation recorded income tax expenses on unrelated business activity. Income taxes paid totaled $18,192 for March 31, 2026. Management has evaluated the Foundation's tax positions and concluded that the Foundation's financial statements do not include any uncertain tax positions.