Carnegie Endowment for International Peace

Consolidated Financial Statements
For the Years Ended June 30, 2026 and 2025

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Carnegie Endowment for International Peace

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For the Years Ended June 30, 2026 and 2025

Carnegie Endowment for International Peace

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Independent Auditor's Report

The Board of Trustees
Carnegie Endowment for International Peace
Washington, D.C.

Opinion

We have audited the consolidated financial statements of the Carnegie Endowment for International Peace and Subsidiaries (the Endowment), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Endowment as of June 30, 2026 and 2025, and the changes in their net assets and their 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 (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Endowment 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Endowment's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Endowment's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Endowment'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.

BDO USA, P.C.

October 14, 2026

Consolidated Financial Statements

Carnegie Endowment for International Peace

Consolidated Statements of Financial Position

June 30,		**2026**		2025
Assets				
Current assets				
Cash and cash equivalents	**$**	**8,030,837**	$	8,177,659
Accounts receivable and prepaid expenses		**1,485,039**		1,968,933
Contributions receivable, net (Note 2)		**18,143,524**		10,124,064
Investments (Note 3)		**9,765,233**		9,954,005
Total current assets		**37,424,633**		30,224,661
Long-term assets				
Investments (Note 3)		**653,108,304**		531,442,002
Contributions receivable, net (Note 2)		**15,074,569**		7,746,753
Property and equipment, net (Note 5)		**32,998,439**		32,216,790
Intangible assets (Note 6)		**102,763**		95,983
Right of use asset - leases (Note 10)		**657,931**		751,180
Total long-term assets		**701,942,006**		572,252,708
Total assets	**$**	**739,366,639**	$	602,477,369
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	**$**	**9,405,223**	$	5,612,640
Future lease obligations (Note 10)		**428,466**		338,246
Bond interest payable (Note 7)		**168,746**		160,936
Bonds payable, net (Note 7)		**1,091,247**		-
Refundable advances (Note 1)		**1,669,352**		1,155,292
Total current liabilities		**12,763,034**		7,267,114
Long-term liabilities				
Future lease obligations (Note 10)		**274,761**		473,960
Interest rate swap (Note 8)		**1,899,717**		2,627,848
Bonds payable, net (Note 7)		**31,689,307**		32,756,876
Total long-term liabilities		**33,863,785**		35,858,684
Total liabilities		**46,626,819**		43,125,798
Commitments and contingencies (Note 10)				
Net assets				
Without donor restrictions		**50,608,372**		46,138,560
With donor restrictions (Notes 14 and 15)		**642,131,448**		513,213,011
Total net assets		**692,739,820**		559,351,571
Total liabilities and net assets	**$**	**739,366,639**	$	602,477,369

See accompanying notes to the consolidated financial statements.

Carnegie Endowment for International Peace

Consolidated Statement of Activities and Change in Net Assets

Year Ended June 30, 2026	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and other support:			
Contributions of cash and other financial assets	$ 6,117,250	$ 49,513,480	$ 55,630,730
Contributions of nonfinancial assets	61,200	-	61,200
Investment return distribution to fund operations, net (Note 1)	-	19,207,237	19,207,237
Rental income	510,534	-	510,534
U.S. Government revenue	650,000	-	650,000
Publications	6,158	-	6,158
Other	792,299	-	792,299
Net assets released from restrictions	52,540,935	(52,540,935)	-
Total operating revenues and other support	60,678,376	16,179,782	76,858,158
Operating expenses:			
Program services	46,127,564	-	46,127,564
Supporting services:			
Management and general	8,695,765	-	8,695,765
Fundraising	2,120,189	-	2,120,189
Total operating expenses	56,943,518	-	56,943,518
Change in net assets from operations	3,734,858	16,179,782	19,914,640
Non-operating revenues and expenses:			
Investment return in excess of spending rate	6,823	112,738,655	112,745,478
Change in fair value of interest rate swap	728,131	-	728,131
Change in net assets	4,469,812	128,918,437	133,388,249
Net assets, beginning of year	46,138,560	513,213,011	559,351,571
Net assets, end of year	$ 50,608,372	$ 642,131,448	$ 692,739,820

See accompanying notes to the consolidated financial statements.

Carnegie Endowment for International Peace

Consolidated Statement of Activities and Change in Net Assets

Year Ended June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and other support:			
Contributions of cash and other financial assets	$ 5,766,804	$ 23,366,974	$ 29,133,778
Contributions of nonfinancial assets	68,400	-	68,400
Investment return distribution to fund operations, net (Note 1)	-	17,969,975	17,969,975
Rental income	825,967	-	825,967
U.S. Government revenue	771,000	-	771,000
Publications	6,964	-	6,964
Other	938,226	-	938,226
Net assets released from restrictions	50,136,693	(50,136,693)	-
Total operating revenues and other support	58,514,054	(8,799,744)	49,714,310
Operating expenses:			
Program services	45,046,682	-	45,046,682
Supporting services:			
Management and general	6,629,902	-	6,629,902
Fundraising	2,010,273	-	2,010,273
Total operating expenses	53,686,857	-	53,686,857
Change in net assets from operations	4,827,197	(8,799,744)	(3,972,547)
Non-operating revenues and expenses:			
Investment return in excess of spending rate	3,522	37,057,726	37,061,248
Change in fair value of interest rate swap	(144,910)	-	(144,910)
Change in net assets	4,685,809	28,257,982	32,943,791
Net assets, beginning of year	41,452,751	484,955,029	526,407,780
Net assets, end of year	$ 46,138,560	$ 513,213,011	$ 559,351,571

See accompanying notes to the consolidated financial statements.

Carnegie Endowment for International Peace

Consolidated Statements of Functional Expenses

Year Ended June 30, 2026	Program	Management and General	Fundraising	Total
Salaries	**$ 22,768,343**	**$ 3,707,812**	**$ 1,340,808**	**$ 27,816,963**
Payroll taxes and employee benefits	**7,330,658**	**1,800,926**	**317,847**	**9,449,431**
Consulting and professional fees	**6,015,333**	**1,586,752**	**173,856**	**7,775,941**
Other expenses	**1,638,084**	**481,781**	**27,035**	**2,146,900**
Travel	**2,367,665**	**400,005**	**12,648**	**2,780,318**
Interest expense	**1,038,961**	**169,194**	**61,184**	**1,269,339**
Property management	**1,273,497**	**207,093**	**74,980**	**1,555,570**
Depreciation and amortization	**1,582,147**	**144,122**	**87,422**	**1,813,691**
Meetings and seminars	**765,526**	**140,328**	**6,975**	**912,829**
Real estate taxes	**296,050**	**48,211**	**17,434**	**361,695**
Rent	**542,106**	**9,439**	**-**	**551,545**
Publication expenses	**509,194**	**102**	**-**	**509,296**
	$ 46,127,564	**$ 8,695,765**	**$ 2,120,189**	**$ 56,943,518**

Year Ended June 30, 2025	Program	Management and General	Fundraising	Total
Salaries	$ 21,288,008	$ 3,083,181	$ 1,249,353	$ 25,620,542
Payroll taxes and employee benefits	6,908,572	1,553,048	337,464	8,799,084
Consulting and professional fees	5,982,620	636,292	145,996	6,764,908
Other expenses	1,789,380	459,120	28,548	2,277,048
Travel	2,458,254	298,179	8,812	2,765,245
Interest expense	1,019,683	147,682	59,838	1,227,203
Property management	1,276,275	174,749	74,378	1,525,402
Depreciation and amortization	1,506,262	115,847	83,674	1,705,783
Meetings and seminars	1,460,571	111,928	5,075	1,577,574
Real estate taxes	291,987	42,289	17,135	351,411
Rent	511,200	-	-	511,200
Publication expenses	553,870	7,587	-	561,457
	$ 45,046,682	$ 6,629,902	$ 2,010,273	$ 53,686,857

See accompanying notes to the consolidated financial statements.

Carnegie Endowment for International Peace

Consolidated Statements of Cash Flows

Years Ended June 30,	**2026**	2025
Cash flows from operating activities:		
Change in net assets	**$ 133,388,249**	$ 32,943,791
Adjustments to reconcile change in net assets used in operating activities:		
Realized and unrealized gain on investments	**(134,389,833)**	(52,309,852)
Change in discount applied to contributions receivable	**328,194**	(421,705)
Change in allowance applied to contributions receivable	**(180,000)**	200,000
Amortization of bond and letter-of-credit issuance costs	**34,910**	37,529
Change in fair value of interest rate swap	**(728,131)**	144,910
Contributions restricted for endowment	**(3,078,427)**	(2,731,869)
Non-cash lease expense	**223,914**	144,794
Depreciation and amortization	**1,778,781**	1,668,254
Loss on disposal of property and equipment	**16,919**	45,442
Donated securities	**(312,505)**	(866,649)
Proceeds from donated securities	**312,505**	866,649
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable and prepaid expenses	**483,894**	(518,674)
Contributions receivable	**(15,495,470)**	10,752,907
Increase (decrease) in:		
Accounts payable, accrued expenses and refundable advances	**4,306,643**	433,822
Bond interest payable	**7,810**	(20,326)
Future lease obligations	**(239,644)**	(127,453)
Net cash used in operating activities	**(13,542,191)**	(9,758,430)
Cash flows from investing activities:		
Proceeds from sales of investments	**125,215,417**	94,181,891
Purchases of investments	**(112,303,114)**	(88,147,778)
Purchases of property and equipment	**(2,577,349)**	(1,345,879)
Payments associated with intangible assets	**(6,780)**	(33,616)
Net cash provided by investing activities	**10,328,174**	4,654,618
Cash flows from financing activities:		
Contributions restricted for endowment	**3,078,427**	2,731,869
Payments for letter of credit extension	**(11,232)**	(21,317)
Net cash provided by financing activities	**3,067,195**	2,710,552
Net decrease in cash and cash equivalents	**(146,822)**	(2,393,260)
Cash and cash equivalents, beginning of year	**8,177,659**	10,570,919
Cash and cash equivalents, end of year	**$ 8,030,837**	$ 8,177,659
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ 1,261,529**	$ 1,247,529
Right of use asset obtained in exchange for operating lease liability	**$ 130,665**	$ -

See accompanying notes to the consolidated financial statements.

1. The Organization and Summary of Significant Accounting Policies

The Carnegie Endowment for International Peace (the Endowment) is a global nonprofit organization incorporated under the laws of the State of New York. The Endowment's mission, dating back more than a century, is to generate strategic ideas and independent analysis, support diplomacy, and train the next generation of scholar-practitioners to help countries and institutions take on the most difficult global problems and advance peace.

In 2006, the Endowment launched a revolutionary plan to build the first global think tank. Since then, it has transformed a more than one hundred-year-old American institution into one well-equipped for the challenges of a globalized world. The Endowment is now a unique worldwide network of more than 200 experts across twenty countries, with regional operations in the United States, the Middle East, Europe, and South and East Asia.

Working together, the Endowment's network brings the unparalleled benefit of multiple national viewpoints to bilateral, regional, and global issues. Scholars at each center are drawn from the region and research, interview, and write in the local languages, while collaborating closely with colleagues across the world. The result provides stakeholders, capitals, and global institutions with a deeper understanding of the circumstances shaping policy choices worldwide, as well as a flow of new approaches to policy problems. The network is supervised by an international board of trustees, and its research activities are overseen by a global management group.

Consolidation policy

The consolidated financial statements include the accounts of Carnegie Endowment for International Peace, Carnegie Europe Foundation, Carnegie Russia Eurasia Center, Carnegie India and Carnegie China Ltd. (collectively referred to as the Endowment). All significant intercompany transactions and accounts are eliminated in consolidation.

Basis of accounting

The accompanying consolidated financial statements of the Endowment are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of presentation

The Endowment follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements of Not-for-Profit Entities*. As required by the Not-for-Profit Entities Topic of the Codification, the Endowment is required to report information regarding its consolidated financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Measure of operations

The consolidated statements of activities and change in net assets reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of items attributable to the Endowment's ongoing program services. Non-operating activities are limited to resources that generate return from investments as well as other activities considered to be of a more unusual or nonrecurring nature.

The Endowment adopted an investment policy and a spending policy designed to provide a relatively predictable and growing stream of revenues to the operating budget and preserve the value of the investment portfolio. At the annual Spring Board meeting, the Board of Trustees approves the investment income allocation to fund operating expenses in the following year. The investment allocation for operating expenditures has two components, 70% of previous year's appropriation increased by an inflation factor, and 30% of the average market value of the portfolio for the 90-day period preceding the end of the fiscal year from two years prior, multiplied by 5%. The investment distribution to fund operations, on the accompanying consolidated statements of activities and change in net assets, represents an approximate 4.4% draw from the marketable investment portfolio.

Cash equivalents

Cash equivalents include all short-term, highly-liquid instruments purchased with an original maturity of three months or less.

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management of the Endowment to make estimates and assumptions related to the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates under different assumptions and conditions.

Concentrations of credit risk

The Endowment maintains its cash balances in bank deposit accounts, which, at times, may exceed Federal Deposit Insurance Corporation limits up to $250,000. The Endowment has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk on cash. Amounts on deposit in excess of federally insured limits at June 30, 2026 and 2025 approximate $5.2 million and $5.1 million, respectively.

The Endowment's investment portfolio includes treasury bills, fixed income securities, exchange traded funds and funds of funds which invest in common shares of publicly-traded companies, investment funds, limited partnerships, limited liability companies (LLCs) and pooled interests, which invest in a variety of vehicles (limited partnerships, LLCs, investment funds and non-U.S. corporations). Such investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near-term could materially affect investment balances and the amounts reported in the consolidated financial statements.

Credit risk from financial instruments relates to the possibility that invested assets within a particular industry segment may experience losses due to market conditions. The Endowment has diversified its financial instruments, such that no one industry segment represents a significant concentration of risk. Contributions receivable consist mainly of amounts due from corporations and other not-for-profit organizations. Historically, the Endowment has not experienced significant losses related to accounts and contributions receivable and, therefore, believes that the credit risk related to these receivables is minimal.

The consolidated financial statements and transactions of the Endowment's foreign operations are maintained in both the relevant local currencies and U.S. dollars. Where local currencies are used, assets and liabilities are translated into U.S. dollars at current exchange rates in effect at the date on the consolidated statement of financial position in accordance with authoritative guidance issued by the FASB. Revenue is translated at the current exchange rates on the date of the commitment. Expenses are translated at the current exchange rates in effect at the time of payment.

Contributions receivable

Contributions receivable represent unconditional promises to give and are stated at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these contributions are computed using a discount rate commensurate with the risks involved, with the amortization of the discount included in contribution revenue. Contributions are individually analyzed for collectability. When all collection efforts have been exhausted, the contribution is written off. Management annually adjusts the allowance account based upon its estimate of those contributions believed to be uncollectible. The allowance for contributions receivable was $20,000 and $200,000, respectively, as of June 30, 2026 and 2025.

Accounts receivable

Receivables are recorded at original invoice amounts less an estimate made for allowance for credit losses. Invoices are billed as services are rendered. Accounts past due are individually analyzed for collectability. When all collection efforts have been exhausted, the account is written off. There is no allowance for credit losses for accounts receivable for the years ended June 30, 2026 and 2025, based on management's estimate that all receivables are fully collectible.

Allowance for credit losses

The Endowment recognizes an allowance for credit losses for financial assets carried at amortized cost to present the net amount expected to be collected as of the consolidated statements of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset (contractual term) which includes consideration of prepayments and is based on our expectation as of the financial position date.

Assets are written off when the Endowment determines that such financial assets are deemed uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the financial position date.

The Endowment pools its financial assets based on similar risk characteristics in estimating expected credit losses. In situations where certain assets do not share the same risk characteristics with other assets, the Endowment measures the expected credit losses for those as needed from period to period as risk characteristics change.

The Endowment uses a loss rate approach in determining its lifetime expected credit losses on its accounts receivable. This method is used for calculating an estimate of losses based primarily on the Endowment's historical loss experience. In determining its loss rates, the Endowment evaluates information related to its historical losses, adjusted for current conditions, and further adjusted for the period of time that the Endowment can reasonably forecast. For the period of time beyond which the Endowment cannot reasonably forecast, reversion to historical amounts is applied based on the facts and circumstances as of the reporting date. The Endowment was able to reasonably support a forecast period of one to two years after the financial position date. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all of the following: the customers' creditworthiness, changes in policy and procedures, existence, and effect of any concentration of credit and changes in the level of such concentrations, and the current and forecasted direction of the economic and business environment.

Investments

Investments are carried at fair value. To adjust the carrying value of the investments, unrealized gains and losses are reported in the consolidated statements of activities and change in net assets as either operating or non-operating revenues and expenses based upon the endowments spending rate/appropriation. Realized gains and losses from sales of investments are recognized on the trade date on a specific identification basis in the same manner as unrealized gains and losses. Dividend income is recognized on the ex-dividend date. Interest income is recognized when earned. The Endowment's net investment return is reported in the consolidated statement of activities and change in net assets and consists of interest and dividend income, net realized and unrealized gains and losses, less external investment expenses.

The Endowment reports certain investments using the net asset value (NAV) per share as determined by the external investment manager under the so called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. The Endowment uses the NAV as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the investment will be sold for an amount different than NAV.

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

Investments in exchange traded funds, fixed income securities and money market funds

Investments in exchange traded funds, fixed income securities and money market funds are stated at fair market value based on the last sale price. Securities transactions are recorded on a trade-date basis and are carried at fair value.

Investments in alternative funds

Investments in funds of funds, fixed income funds, and event driven funds are stated at fair value based on the applicable percentage ownership of the underlying partnerships' net assets as of the measurement date, as provided by the fund managers. The fair values of certain investments of the underlying limited partnerships and hedge funds that may include private placements and other securities, for which prices are not readily available, are determined by the general partner or sponsor of the respective other investment partnership and may not reflect amounts that could be realized upon immediate sale, nor amounts that may be ultimately realized. Because alternative investments are not readily marketable, the fair value represents the amount the Endowment would expect to receive if it were to liquidate its investment, excluding any redemption charges that may apply.

Investments in real estate funds

Investments in real estate funds are stated at fair value based on the applicable percentage of ownership of the underlying partnership's net assets as of the measurement date, as provided by the fund managers.

Investments In derivative financial instruments

Futures contracts are valued at fair value based on the most recent available closing quotations on an exchange.

Derivative financial instruments and hedging activities

The Endowment invests in limited partnerships, LLCs, alternative funds and pooled interests that invest in various derivative instruments (e.g., options, warrants, futures, swap contracts, etc.). Derivative instruments are typically held to advance fund investment strategies to hedge investment risk to economically meet the objectives of the fund. Derivative financial instruments are recorded at estimated fair value, and the resulting gains and losses are reflected as a component of net investment return in the consolidated statements of activities and change in net assets.

The interest rate swap agreement (see Note 8) is also considered a derivative instrument and is measured at fair value and recognized in the consolidated statements of financial position as either an asset or liability, depending on the rights or obligations under the contract. The fair value of the interest rate swap agreement is the estimated amount that the bank or financial institution would receive or pay to terminate the swap agreement at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counter parties.

Changes in the fair value of the interest rate swap agreement are reported in non-operating revenues and expenses in the consolidated statements of activities and change in net assets.

Financial instruments with off-balance sheet risk

In the course of the trading activities entered into by the Endowment's various investment fund managers, certain commitments were made relating to financial instruments with off-balance sheet risk, in order to structure portfolio transactions to economically match the investment objectives of the funds and to hedge market risk.

The exposure to credit risk associated with non-performance of any of these types of financial instruments is typically limited to the value of such investments reported as assets in the consolidated statements of financial position.

Property and equipment

All acquisitions of property and equipment greater than $1,500 are capitalized at cost and are depreciated using the straight-line method over the estimated useful lives of the assets. Furniture and equipment is depreciated over lives that range from three to ten years. The building is depreciated over its estimated useful life of 60 years. Building improvements are capitalized and amortized using the straight-line method over the remaining estimated life of the building. Land is recorded at cost and is not depreciated or amortized.

Costs that are directly associated with construction of an asset are capitalized. Once the asset is placed in service, all associated costs are reclassified to the appropriate property and equipment account and are then depreciated.

Valuation of long-lived assets

The Endowment reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. No indicators of impairment were identified as of June 30, 2026 and 2025.

Bond issuance costs

Bond issuance costs are amortized over the life of the bonds. Unamortized bond issuance costs are recorded as a reduction of bonds payable, and amortization is reported with interest expense.

Net assets

The Endowment's resources are classified for accounting and reporting purposes into net asset groups established according to their nature and purpose and based on the existence or absence of donor-imposed restrictions. Accordingly, the Endowment classifies net asset groups as follows:

Net assets without donor restrictions

Net assets without donor restrictions are not subject to donor-imposed restrictions. These net assets generally result from providing services and receiving contributions without donor restrictions, restricted gifts whose donor-imposed restrictions were met during the fiscal year less expenses incurred in providing services, raising contributions, and performing administrative functions.

Net assets with donor restrictions

Net assets with donor restrictions are subject to stipulations imposed by donors. These net assets generally result from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Endowment pursuant to those stipulations. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of these assets permit the Endowment to use the income earned on related investments for general or specific purposes.

When a donor restriction expires as a result of a stipulated time restriction ending or purpose restriction being accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities and change in net assets as net assets released from restrictions.

Revenue recognition

Contribution revenue

Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for a future period, or are restricted by the donor for specific purposes, are reported as net assets with donor restrictions. When a 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 restriction and reported in the consolidated statements of activities and change in net assets as net assets released from restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as without donor restriction contributions.

Contributions are reported at fair value, which is net of estimated uncollectible amounts. The Endowment uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on experience as well as management’s analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Contributions, including multi-year pledges and split interest agreements, to be received after one year, are recorded at the present value of the estimated future cash flows.

Subsequent changes in this discount resulting from the passage of time are accounted for as contributions in subsequent years.

Conditional promises to give, including those received under multi-year grant agreements, are recognized as revenue when the conditions on which they depend have been substantially met.

As of June 30, 2026 and 2025, the Endowment has conditional promises to give totaling to $1,669,352 and $1,155,292, respectively. These amounts are classified as refundable advances in the accompanying consolidated statements of financial position and will be recognized as revenue as the projects progress and conditions related to performance are met, generally as expenses are incurred.

"Contributions of cash and other financial assets" primarily include individual, corporate, and foundation contributions, along with government grants. During the fiscal years ended June 30, 2026 and 2025, the Endowment recorded revenues of $150,565 and $430,604, respectively, from federal agencies.

Contributed nonfinancial assets

Contributed nonfinancial assets recognized as revenue and expenses in the consolidated statement of activities and change in the net assets, none of which had donor-imposed restrictions, were comprised of:

June 30,	**2026**	2025	**Utilization in programs/ activities**	**Valuation techniques and inputs**
IT services	**$ 10,000**	$ 28,000	IT programs and supporting services	Donated IT services are valued at the standard rates typically charged by service providers.
IT subscriptions	**-**	2,000	IT programs and supporting services	Contributed IT subscriptions are valued at the sale prices located on publicly available websites at the time of the donations or rates typically charged by the service provider.
Professional fees	**51,200**	-	Legal and advisory services	Donated professional services are valued at the standard rates typically charged by the service providers.
Meeting expenses	**-**	22,549	Carnegie California	Donated meeting costs for Carnegie California including catering, event space and staff support are valued at comparable market rates for similar type events.
Office space	**-**	15,851	Carnegie California and Carnegie Russia Eurasia Center	Donated office space for Carnegie California and Carnegie Russia Eurasia Center and donated space for convenings are valued at the rent rate charge for comparable space.
	$ 61,200	$ 68,400		

The Endowment recognizes contributions of non-financial assets at their estimated fair value at date of donation. The Endowment recognizes contributions of services received if the services require specialized skills and would typically need to be purchased if not provided by donation.

In the consolidated statements of functional expenses, management reported the utilization of the above contributed nonfinancial assets within "Program" and "Management and General" functions.

U.S. Government revenue

Contracts received from departments or agencies of the United States Government are not considered to be contributions, but rather revenue earned related to products delivered or services rendered. Revenue on cost plus fixed fee contracts is recognized over time based on costs incurred plus a proportionate amount of fee earned. Revenue on time and materials contracts is recognized over time based on hours incurred at contract billing rates plus materials and other direct costs incurred. Revenue on fixed-price contracts is recognized based on the extent of progress towards completion of the performance obligation. Based on the nature of the products and services provided in the contract, the Endowment uses judgment to determine if an input measure or output measure best depicts the transfer of control over time.

Rental income

Certain tenant leases contain rental abatement provisions and escalation clauses. Revenue is recognized straight-line over the lease period. Rental income is recognized in excess of the cash payments received in the initial years of the lease, resulting in the recognition of a rental abatement asset in the accompanying consolidated statements of financial position. The rental abatement asset will be reduced as cash payments received exceed rental income recognized.

Publications

Performance obligations are satisfied for this revenue stream at a point in time when the publication is delivered. Payment is due upon delivery.

Other revenues

Other revenues include conferences and others which are recognized when performance obligations are met. For conferences, performance obligations are satisfied at a point in time when the conferences occur. Each performance obligation is priced separately and payment terms and conditions vary.

Donated securities

The Endowment received donated securities in the amounts of $312,505 and $866,649 during the years ended June 30, 2026 and 2025, respectively. Donated securities are reported at fair value.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized in the consolidated statements of functional expenses. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Program costs include the direct costs to conduct programmatic activities in fulfillment of the Endowment's mission. Management and general costs include the Office of the President, Finance, Human Resources and other general costs

such as insurance and legal. Fundraising costs include the Office of Development. Certain expenses, including interest, property management, depreciation and amortization, and real estate taxes have been allocated between program, management and general, and fundraising, based on the salaries directly attributable to those categories:

- Program Services: These expenses relate to Endowment's research programs including the Asia, Middle East, South Asia, Europe, Russia and Eurasia, Nuclear Policy, Technology and International Affairs, Democracy, Conflict and Governance, American Statecraft, Africa, Sustainability, Climate and Geopolitics, Global Order and Institutions, Carnegie California, IT, Communications and Library programs.
- Management and General: These expenses relate to the day-to-day operation and consist of administrative, accounting and legal expenses of the Endowment.
- Fundraising: These expenses are associated with fundraising initiatives and activities.

Income taxes

The Endowment is exempt from federal income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been designated by the Internal Revenue Service as a publicly supported organization under Section 509(a)(1) of the Code. The Endowment engages in certain activities that produce unrelated business income, as defined by federal income tax regulations.

The Endowment files income tax returns in the U.S. federal jurisdiction. In accordance with FASB ASC 740 *Income Taxes*, the Endowment recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. With a few exceptions, the Endowment is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2022. Management has evaluated the Endowment's tax positions and has concluded that the Endowment has taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

Accounting pronouncements adopted

In December 2023, the FASB issued Accounting Standards Update (ASU) 2023-09, *Income Taxes (Topic 740), Improvements to Income Tax Disclosures*. The ASU requires organizations to provide additional, disaggregated disclosures for income taxes paid, along with information about income from continuing operations before income tax expense on a disaggregated basis. Certain other disclosure requirements were eliminated. The adoption of this guidance did not have any material impact on the Endowment's consolidated financial statements.

Recent accounting pronouncements to be adopted

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This ASU provides a practical expedient for entities to assume that current conditions as of the balance sheet date remain unchanged for the remaining life of current accounts receivable and current contract assets when measuring expected credit losses under CECL. The practical expedient does not apply to other types of receivables or loans. Additionally, entities other than public business entities may elect an accounting policy to consider subsequent collections received after the balance sheet date in estimating expected credit losses, provided the practical expedient is elected. ASU 2025-05 is effective for annual periods beginning after December 15, 2025, and interim periods within those annual periods, with early adoption permitted. The Endowment is currently evaluating the impact of this ASU on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*, to modernize the guidance in ASC 350-40, *Intangibles—Goodwill and Other—Internal-Use Software*, and better align the accounting with current software development practices. The ASU replaces the existing "project stage" model with a principles-based framework for evaluating whether internal-use software development costs should be capitalized or expensed. The ASU also incorporates website development guidance previously included in ASC 350-50 into the internal-use software framework, and clarifies disclosure requirements related to capitalized internal-use software costs. ASU 2025-06 is effective for annual periods beginning after December 15, 2027, with early adoption permitted. The Endowment is currently evaluating the impact of this ASU on its consolidated financial statements.

2. Contributions Receivable

At June 30, 2026 and 2025, contributions receivable are expected to be received as follows:

	2026	2025
Less than one year	**$ 18,412,461**	$ 10,864,939
One to five years	**17,139,066**	9,191,118
Contributions receivable	**35,551,527**	20,056,057
Less: discount to present value	**(2,313,434)**	(1,985,240)
Less: allowance for doubtful accounts	**(20,000)**	(200,000)
	$ 33,218,093	$ 17,870,817

The Endowment applies the fair value guidance for discounting contributions receivable. Accordingly, contributions receivable are valued using rates on publicly traded debt for assets with similar maturities. The discount rate on contributions receivable was between 3.92% and 5.01% for the year ended June 30, 2026 and between 1.81% and 4.95% for the year ended June 30, 2025.

3. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

The Endowment reports certain investments using the net asset value per share as determined by investment managers under the so called "practical expedient". The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

- **Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Endowment has the ability to access.
- **Level 2** - Inputs to the valuation methodology include:
    - Quoted prices for similar assets or liabilities in active markets;
    - Quoted prices for identical or similar assets or liabilities in inactive markets;
    - Inputs other than quoted prices that are observable for the asset or liability;
    - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
    - If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- **Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, investment levels within the fair value hierarchy are based on the lowest level of input that is significant to the fair value measurement. The Endowment's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in these instruments.

The assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value.

The Endowment's futures variation margin is classified as Level 1 in the fair value hierarchy, as all significant inputs to the fair value measurement are directly observable, such as the underlying interest rate assumptions.

The Endowment's interest rate swap agreement is classified as Level 2 in the fair value hierarchy. The market value to settle the transaction reflects the projection of the future cash flows and discounting of the future amounts to a present value using market-based observable inputs, including interest rate curves, resulting in the Endowment's classification of the valuation inputs as Level 2.

The following tables represent the Endowment's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2026:

		Fair Value Hierarchy Level			
	Total	**Level 1**	**Level 2**	**Level 3**	**NAV ****
Investments:					
Fixed income securities:					
U.S. Government and agency obligations (AAA Rated)	**$ 40,091,192**	**$40,091,192**	**$ -**	**$ -**	**$ -**
India Government and agency obligations (AAA Rated)	**3,776,150**	**3,776,150**	**-**	**-**	**-**
Total fixed income securities	**43,867,342**	**43,867,342**	**-**	**-**	**-**
Fund of funds:					
Hedge fund multi-strategy	**295,028,792**	**-**	**-**	**-**	**295,028,792**
Private equity multi-strategy	**302,463,969**	**-**	**-**	**-**	**302,463,969**
Total fund of funds	**597,492,761**	**-**	**-**	**-**	**597,492,761**
Money market funds	**23,952,687**	**23,952,687**	**-**	**-**	**-**
Total investments	**$665,312,790**	**$67,820,029**	**$ -**	**$ -**	**$597,492,761**
Liabilities:					
Interest rate swap	**$ 1,899,717**	**$ -**	**$1,899,717**	**$ -**	**$ -**
Other*	**2,439,253**	**2,439,253**	**-**	**-**	**-**
Total fair value liabilities	**$ 4,338,970**	**$ 2,439,253**	**$1,899,717**	**$ -**	**$ -**

* Netted with investments on the consolidated statements of financial position.

**Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

The following tables represent the Endowment's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2025:

	Fair Value Hierarchy Level				
	Total	Level 1	Level 2	Level 3	NAV **
Investments:					
Fixed income securities:					
U.S. Government and agency obligations (AAA Rated)	$ 40,011,858	$ 40,011,858	$ -	$ -	$ -
India Government and agency obligations (AAA Rated)	4,108,431	4,108,431	-	-	-
Total fixed income securities	44,120,289	44,120,289	-	-	-
Fund of funds:					
Hedge fund multi-strategy	239,441,888	-	-	-	239,441,888
Private equity multi-strategy	240,051,149	-	-	-	240,051,149
Total fund of funds	479,493,037	-	-	-	479,493,037
Money market funds	20,506,656	20,506,656	-	-	-
Futures variation margin	562,495	562,495	-	-	-
Total investments	$ 544,682,477	$ 65,189,440	$ -	$ -	$ 479,493,037
Liabilities:					
Interest rate swap	$ 2,627,848	$ -	$ 2,627,848	$ -	$ -
Other*	3,286,470	3,286,470	-	-	-
Total fair value liabilities	$ 5,914,318	$ 3,286,470	$ 2,627,848	$ -	$ -

* Netted with investments on the consolidated statements of financial position.

**Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

In accordance with the guidance for fair value measurements, the Endowment maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Fair value is based on actively quoted market prices, if available. In the absence of actively quoted market prices, price information from external sources, including broker quotes and industry publications is used. If pricing information from external sources is not available, or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases, the Endowment estimates prices based on available historical and near-term future price information that reflects its market assumptions.

For contracts with unique characteristics, the Endowment estimates fair value using a discounted cash flow approach deemed appropriate in the circumstances and applied consistently from period to period.

The major categories of the Endowment's investments that are valued at net asset value, including general information related to each category, are as follows at June 30:

	2026			
Investments	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency (If Currently Eligible)**	**Redemption Notice Period**
Private equity multi-strategy (a)	**$ 302,463,969**	**$ 102,739,435**	**Annually - unavailable**	**180 days**
Hedge fund multi-strategy (b)	**295,028,792**	**-**	**Monthly - Quarterly**	**90 days - 100 days**
	$ 597,492,761	**$ 102,739,435**		

	2025			
Investments	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Private equity multi-strategy (a)	$ 240,051,149	$ 89,210,961	Annually - unavailable	180 days
Hedge fund multi-strategy (b)	239,441,888	-	Monthly – Quarterly	90 days – 100 days
	$ 479,493,037	$ 89,210,961		

a) This category includes a combination of some or all of the other strategies. Managers may have the flexibility to invest across all asset classes and to change their allocations to various strategies and instruments as they see fit. Instruments include a broad range of private asset classes, including buyout, venture, and growth equity, and real assets, natural resources and others. The fair values of investments in this category have been estimated using the net asset value per share of the investments. Investments representing approximately 96.34% and 96.07% of the value of the investments in this category have no redemptions as of June 30, 2026 and 2025, respectively. The remaining investments in this category, approximately 3.66% and 3.93% have annual redemptions with 180 days' notice as of June 30, 2026 and 2025, respectively.

b) This category includes a combination of some or all of the other strategies. Managers may have the flexibility to invest and to change their allocations to various strategies and instruments as they see fit. Managers usually focus on private investment funds (also referred to as hedge funds). Multi-strategy funds may go long or short and typically use leverage to help diversify their allocations. The fair values of investments in this category have been estimated using the net asset value per share of the investments. Investments representing approximately 50.83% and 46.81% of the value of the investments in this category have monthly redemptions with 100 days' notice as of June 30, 2026 and 2025, respectively. The remaining investments in this category, approximately 49.17% and 53.19% have quarterly redemptions with 90 days' notice as of June 30, 2026 and 2025, respectively.

4. Liquidity and Availability

As of June 30, 2026 and 2025, financial assets and liquidity resources available within one year of the consolidated statements of financial position date for general expenditures, were as follows:

Years ended June 30,	**2026**	2025
Financial assets at year-end:		
Cash and cash equivalents	**$ 8,030,837**	$ 8,177,659
Accounts receivable	**690,637**	530,839
Current contributions receivable	**18,143,524**	10,124,064
Investments	**662,873,537**	541,396,007
Total financial assets	**689,738,535**	560,228,569
Adjustments for amounts not available for general expenditures within one year:		
Net assets with donor restrictions	**(642,131,448)**	(513,213,011)
Annual appropriation from Andrew Carnegie's endowment available for spending	**19,146,695**	18,223,958
Availability of assets within one year	**$ 66,753,782**	$ 65,239,516

As part of the Endowment's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Endowment has access to a $10,000,000 revolving line-of-credit. The Endowment also maintains a $33,621,672 letter-of-credit to secure the bonds and it is available to withdraw in the event there is an unanticipated call on the bonds. There were no draws on the revolving line-of-credit and letter-of-credit as of June 30, 2026 and 2025. Additionally, the Endowment has accumulated earnings of $477,840,359 and $4,923,541 from the Andrew Carnegie's original founding gift and from other donor endowments, respectively, that could be appropriated from and used as long as this use is in accordance with the Endowment's charitable mission, and other donor endowment restrictions, and the standard of prudence prescribed by NYUPMIFA (see Note 15). The Endowment does not intend to spend beyond the annual board appropriation from these funds, although these amounts could be made available if necessary.

5. Property and Equipment

Property and equipment consist of the following at June 30:

	2026	2025
Building	**$ 35,062,223**	$ 31,569,520
Building – space leased out to tenants (Note 11)	**4,021,951**	5,310,328
Furniture and equipment	**4,277,382**	4,140,725
Construction in progress	**-**	121,901
Land	**6,374,592**	6,374,592
Total property and equipment	**49,736,148**	47,517,066
Less: accumulated depreciation	**(16,737,709)**	(15,300,276)
Property and equipment, net	**$ 32,998,439**	$ 32,216,790

Depreciation and amortization expense on property and equipment totaled $1,778,781 and $1,668,254 for the years ended June 30, 2026 and 2025, respectively.

6. Intangible Assets

The Endowment has secured trademarks for "Carnegie Endowment for International Peace" in key regions where it operates. These trademarks are deemed to have indefinite useful lives, as they are expected to continually support the Endowment's mission and activities. Accordingly, they are not amortized but are subject to an annual impairment review. No impairment loss related to intangible assets was recorded in the accompanying consolidated statement of activities and changes in net assets for the years ended June 30, 2026 and 2025.

7. Bonds Payable

On May 10, 2006, the District of Columbia issued $33,250,000 of variable District of Columbia Revenue Bonds (Carnegie Endowment for International Peace Issue) due on November 1, 2045. The 2006 bonds were issued by the District of Columbia and loaned to the Endowment, to provide funds to redeem the 1996 bonds. The 2006 bonds bear interest at a weekly auction rate and have an original interest rate of 3.55%. Due to changing market conditions, effective April 22, 2008, the Endowment converted its 2006 bonds from auction rate securities to variable demand notes in a weekly rate mode. The Endowment cancelled the underlying insurance on the auction rate securities and obtained a letter-of-credit to support the variable demand notes. The unamortized insurance premium was expensed. Legal, accounting, consulting, printing costs, and other expenses associated with the 2006 issuance and 2008 conversion amounted to $1,320,258 and are being amortized over the term of the bonds. Amortization expense totaled $23,285 for the years ended June 30, 2026 and 2025, and accumulated amortization at June 30, 2026 and 2025, totaled $869,540 and $846,255, respectively.

The bonds are secured with a letter-of-credit, and collateralized by all income, earnings, and cash proceeds of the Endowment. The total of the letter-of-credit is $33,621,672 which is available to draw upon. The letter-of-credit agreement was amended on March 9, 2022 to extend the term to April 15, 2025 and expenses associated with such amendment of $47,226 were amortized over three years and were fully amortized as of June 30, 2025. Amortization expense totaled $0 and $12,048 for the years ended June 30, 2026 and 2025, respectively, and accumulated amortization totaled $47,226 at June 30, 2026 and 2025. On March 6, 2025, the letter-of-credit agreement was further amended to extend the term to April 14, 2028 and expenses associated with such amendment of $32,549 are being amortized over three years. Amortization expense totaled $11,625 and $2,196 for the years ended June 30, 2026 and 2025, respectively, and accumulated amortization at June 30, 2026 and 2025, totaled $13,821 and $2,196, respectively. There is no outstanding balance as it relates to the letter-of-credit at June 30, 2026 and 2025.

Bonds payable are presented net of unamortized bond issuance and letter-of-credit amendment costs of $469,446 and $493,124 on the consolidated statements of financial position as of June 30, 2026 and 2025, respectively.

Future minimum principal payments on the bonds at June 30, 2026, are as follows:

Years ending June 30,		
2027	$	1,125,000
2028		1,150,000
2029		1,200,000
2030		1,250,000
2031		1,300,000
Thereafter		27,225,000
Less: Unamortized debt issuance costs		(469,446)
Total	$	32,780,554

Interest expense related to the variable rate demand bonds totaled $1,041,299 and $1,171,605 for the years ended June 30, 2026 and 2025, respectively. As described in Note 8, the Endowment executed an interest rate swap agreement related to the bonds. The rate in effect at June 30, 2026 and 2025 was 3.75%. The Endowment was in compliance with the financial and non-financial covenants related to the bonds.

8. Interest Rate Swap Agreement

The Endowment exercised the 1996 bonds optional redemption on May 15, 2006, and issued variable bonds on May 10, 2006, to fund the redemption (see Note 7). On March 22, 2005, the Endowment entered into a forward interest rate swap agreement with Morgan Stanley Capital Services, Inc. (Morgan Stanley), effective May 15, 2006, to reduce the impact of changes in interest rates on its contemplated issue of floating rate bonds in May 2006. On July 7, 2005, and then again on May 2, 2006, the Endowment amended the interest rate swap agreement. Under the amended agreement, the notional principal amount is $33,250,000, the fixed rate is 3.75%, and the agreement expires on November 1, 2045. The agreement effectively changes the Endowment's interest rate swap exposure on the issuance of its floating rate bonds in May 2006 to a fixed 3.75%. The floating rate in effect at June 30, 2026 and 2025 related to the May 2006 bond was 2.79% and 3.25%, respectively.

The Endowment is exposed to credit loss in the event of non-performance by Morgan Stanley to the interest rate swap agreement. However, the Endowment does not anticipate non-performance by the counter party.

During the year ended June 30, 2026, the Endowment paid $1,247,207 on the swap and received $1,019,167 from Morgan Stanley on the swap, with the net of $228,040 offsetting the 2006 bond interest expense. During the year ended June 30, 2025, the Endowment paid $1,247,207 on the swap and received $1,191,609 from Morgan Stanley on the swap, with the net of $55,598 offsetting the 2006 bond interest expense.

9. Revolving Line-Of-Credit

On March 9, 2023, the Endowment entered into an agreement for a $10,000,000 revolving line-of-credit. The agreement was amended on March 6, 2026, to extend the maturity date to March 5, 2027. The interest rate on amount borrowed is calculated at daily simple secured overnight financing rate plus margin of 0.6% per annum. There was no balance outstanding on the line-of-credit as of June 30, 2026 and 2025.

10. Lease Commitments

The Endowment assesses contracts at inception to determine whether an arrangement includes a lease, which conveys the Endowment's right to control the use of an identified asset for a period of time in exchange for consideration. The Endowment has operating leases for office space for its global centers for which a right-of-use asset and a lease liability are recorded in the accompanying consolidated statements of financial position in accordance with ASU 2016-02, *Leases*. The Endowment measures its lease assets and liabilities using a risk-free rate of return selected based on the term of the lease.

The Endowment considered the likelihood of exercising renewal or termination terms in measuring the right-of-use assets and lease liabilities. The Endowment has included renewal periods in its assessment of lease terms when provided. The Endowment's lease payments include both fixed and variable payments. Variable payments are based on indices specified in the leases. The variable lease payments for June 30, 2026 and 2025 are $22,989 and $19,057, respectively. The leases do not contain residual value guarantees.

The Endowment has recorded the right of use of asset balance of $657,931 and $751,180 in the accompanying consolidated statements of financial position as of June 30, 2026 and 2025, respectively, for the following operating leases for its global centers' office space:

a) Office space for its operations in Beirut. During 2025, the existing lease expired, and the Endowment signed a new lease that was set to expire on December 31, 2025. During the year ended June 30, 2026, the lease was renewed for an additional one-year term through December 31, 2026. Rental payments under the lease are $88,650 per year. The Endowment is renting 516 square meters under the new lease arrangement.

b) Office space for its operations in Brussels. The Endowment is renting 574 square meters under this arrangement. The lease is non-cancelable and expires on May 1, 2028. Rental payments under the lease are 100,154 Euros (approximately $114,245) per year, adjusted annually for cost-of-living adjustment recorded in the year it occurs. The lease does not include an option to renew.

c) Office space for its operations in New Delhi. The Endowment is renting 4,118 square feet under this arrangement. The lease was set to expire on July 31, 2024. During 2025, the Endowment exercised the option to renew for an additional three years, expiring on August 5, 2027. Rental payments under the lease are 7,935,000 Indian Rupees (approximately $83,831) per year.

   Effective January 1, 2023, the Endowment rented additional office space of 2,095 square feet under this arrangement for its operations in New Delhi that was set to expire on December 31, 2025. During the year ended June 30, 2026, the Endowment exercised the option to renew for an additional three years, expiring on December 31, 2028. Rental payments under the lease are 3,547,500 Indian Rupees (approximately $37,478) per year.

d) Effective September 1, 2024, the Endowment rented office space of 1,096 square feet for its operations in California expiring on June 30, 2026. During the year ended June 30, 2026, the Endowment exercised the option to renew for an additional two years through June 30, 2028. Rental payments under the lease are $60,000 per year.

e) Effective February 1, 2026, the Endowment rented office space of 1,198 square feet for its operations in Singapore expiring on January 31, 2028. Rental payments under the lease are 86,256 Singapore Dollars (approximately $66,642) per year. The lease does not include an option to renew.

The Endowment has elected the practical expedient to forgo applying the recognition requirements in ASC 842 to short-term leases. The Endowment has short-term leases for equipment which are expensed as paid. The Endowment does not have any finance leases. The short-term lease costs for June 30, 2026 and 2025 are $774 and $83,742, respectively.

The Endowment's office spaces typically include non-lease components such as common-area maintenance costs, utilities, and other maintenance costs. The Endowment has elected to include non-lease components with lease payments for the purpose of calculating lease right-of-use assets and liabilities to the extent that they are fixed or variable based on an index or rate. Non-lease components that are not fixed are expensed as incurred as variable lease payments.

The maturity of the lease liability under the Endowment's operating leases as of June 30, 2026 is as follows:

Years ending June 30,		
2027	$	440,180
2028		254,558
2029		24,536
		719,274
Less: Effects of discounting		(16,047)
Lease liabilities recognized	$	703,227

Supplemental quantitative information related to operating leases for the year ended June 30:

	2026	2025
Cash paid for amounts included in the measurement of lease liabilities - operating cashflows	**$ 440,748**	$ 350,225
Weighted-average remaining lease term	**1.73 years**	2.55 years
Weighted-average discount rate	**2.35%**	1.85%

Rent expense under these operating leases for the years ended June 30, 2026 and 2025, totaled $551,545 and $511,200, respectively.

11. Leasing Arrangements as Lessor

The Endowment receives rental income from leasing approximately 10,500 square feet of space to three tenants in its headquarters building in Washington, D.C. (See Note 5). The tenants pay the Endowment a base rent plus a percentage of the operating costs of the building. Individual tenants' square footage leased ranges from 1,732 square feet up to 5,867 square feet. The building's financing and zoning limits use to certain types of institutions and professional offices. Lease terms of the tenants are typically one to ten years, with current lease terms of individual tenants up for renewal varying through January 31, 2030. There is no option for a lessee to purchase the rental space in the lease agreement. Rental income under these leases was $510,534 and $824,372 for the years ended June 30, 2026 and 2025, respectively.

Future minimum rental payments to be received at June 30, 2026, are as follows:

Years ending June 30,	
2027	$ 283,520
2028	283,520
2029	211,123
2030	87,614
	$ 865,777

12. Retirement Plan

The Endowment has a defined contribution pension plan (the Plan) for all qualified employees. Effective January 1, 2025, the Plan was amended to make all employees eligible to participate. The Endowment contributes 15% of each covered employee's salary, up to statutory limits, to the Plan. Employees may contribute to the Plan at their option. Contributions to the Plan are fully vested to the employee upon payment to the Plan. Each participant in the Plan will receive, on the stipulated retirement or termination date, an annuity for the value of the account. Pension costs amounted to $2,908,867 and $2,685,551 for the years ended June 30, 2026 and 2025, respectively.

13. Related Party Transactions

During the years ended June 30, 2026 and 2025, trustees of the Endowment gave contributions of $9,769,826 and $9,439,102, respectively, to support the Endowment's operations.

14. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2026 and 2025:

	June 30, 2026			
	Beginning Balance	Additions, net of investment return	Released from Restrictions	Ending Balance
Subject to expenditure for specific purposes and time:				
Global Vision	$ 15,563,267	$ 1,940,418	$ (432,521)	$ 17,071,164
Asia Program	11,517,106	1,970,887	(3,216,782)	10,271,211
Junior Fellow Chair	8,408,861	1,026,918	(389,386)	9,046,393
Middle East Program	5,944,522	4,581,300	(3,588,620)	6,937,202
Democracy, Conflict, and Governance Program	5,740,196	2,159,836	(1,700,757)	6,199,275
Russia Eurasia Program	10,702,201	3,291,123	(2,364,706)	11,628,618
South Asia Program	4,411,469	3,469,804	(1,462,867)	6,418,406
Nuclear Policy Program	8,551,552	1,988,007	(2,592,254)	7,947,305
Cyber Policy Initiative	594,159	-	(245,462)	348,697
American Statecraft Program	1,834,454	1,908,760	(1,790,944)	1,952,270
Europe Program	2,884,180	1,363,774	(1,816,049)	2,431,905
Global Order and Institutions Program	311,231	231,142	(389,694)	152,679
Africa Program	915,056	325,542	(683,508)	557,090
Visiting Distinguished Statesman	119,263	875,000	(761,220)	233,043
Technology & International Affairs Program	4,313,333	5,769,274	(2,960,832)	7,121,775
Sustainability, Climate and Geopolitics Program	1,853,229	12,046,791	(2,231,664)	11,668,356
US Program	11,200,855	3,350,772	(1,288,988)	13,262,639
Time Restrictions	9,394,128	5,926,755	(5,417,444)	9,903,439
	104,259,062	52,226,103	(33,333,698)	123,151,467
Endowments: Subject to the Foundation's endowment spending policy:				
Original Endowment Funds	382,803,947	123,260,370	(18,223,958)	487,840,359
South Asia Program	4,830,073	108,020	(238,491)	4,699,602
Junior Fellow Chair	3,163,764	441,266	(167,139)	3,437,891
Middle East Program	2,447,151	304,038	(51,484)	2,699,705
Global Vision	3,243,572	650,423	(138,278)	3,755,717
Sustainability, Climate and Geopolitics	1,314,125	590,143	-	1,904,268
Nuclear Policy Program	8,043,958	986,283	(340,097)	8,690,144
Innovative Fund	3,107,359	2,892,726	(47,790)	5,952,295
	408,953,949	129,233,269	(19,207,237)	518,979,981
	$ 513,213,011	$ 181,459,372	$ (52,540,935)	$ 642,131,448

	June 30, 2025			
	Beginning Balance	Additions, net of investment return	Released from Restrictions	Ending Balance
Subject to expenditure for specific purposes and time:				
Global Vision	$ 15,032,419	$ 936,477	$ (405,629)	$ 15,563,267
Asia Program	11,126,109	3,015,811	(2,624,814)	11,517,106
Junior Fellow Chair	8,262,456	508,259	(361,854)	8,408,861
Middle East Program	6,087,443	3,218,266	(3,361,187)	5,944,522
Democracy, Conflict, and Governance Program	4,957,335	1,839,141	(1,056,280)	5,740,196
Russia Eurasia Program	11,962,098	1,012,146	(2,272,043)	10,702,201
South Asia Program	4,646,240	1,407,491	(1,642,262)	4,411,469
Nuclear Policy Program	9,907,434	1,912,883	(3,268,765)	8,551,552
Cyber Policy Initiative	1,074,621	-	(480,462)	594,159
American Statecraft Program	1,433,312	2,378,458	(1,977,316)	1,834,454
Europe Program	4,345,030	1,072,899	(2,533,749)	2,884,180
Global Order and Institutions Program	449,047	50,100	(187,916)	311,231
Africa Program	1,314,637	662,080	(1,061,661)	915,056
Visiting Distinguished Statesman	154,277	651,650	(686,664)	119,263
Technology & International Affairs Program	4,283,356	1,525,027	(1,495,050)	4,313,333
Sustainability, Climate and Geopolitics Program	2,795,426	556,270	(1,498,467)	1,853,229
US Program	12,897,001	662,189	(2,358,335)	11,200,855
Time Restrictions	11,675,763	2,612,629	(4,894,264)	9,394,128
	112,404,004	24,021,776	(32,166,718)	104,259,062
Endowments:				
Subject to the Foundation's endowment spending policy:				
Original Endowment Funds	350,027,879	50,128,710	(17,352,642)	382,803,947
South Asia Program	4,827,427	278,690	(276,044)	4,830,073
Junior Fellow Chair	3,099,656	213,045	(148,937)	3,163,764
Middle East Program	2,170,944	289,319	(13,112)	2,447,151
Global Vision	2,943,466	380,455	(80,349)	3,243,572
Sustainability, Climate and Geopolitics	800,000	514,125	-	1,314,125
Nuclear Policy Program	7,658,649	480,200	(94,891)	8,043,958
Innovative Fund	1,023,004	2,088,355	(4,000)	3,107,359
	372,551,025	54,372,899	(17,969,975)	408,953,949
	$ 484,955,029	$ 78,394,675	$ (50,136,693)	$ 513,213,011

15. Endowments

The Endowment is subject to the enacted New York version of the Uniform Prudent Management of Institutional Funds Act (NYUPMIFA or the Act). The Act defines an endowment as an established fund of cash, securities, or other assets to provide income for the maintenance of a nonprofit organization. Management has interpreted the NYUPMIFA as requiring the preservation of the fair value of original donor-restricted contributions as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Endowment classifies as with donor restriction net assets (a) the original value of permanent endowment contributions and (b) the discounted value of future permanent endowment contributions, net of allowance for uncollectible pledges.

The Endowment maintains a $10 million permanently endowed fund, consisting of the original sums received from Andrew Carnegie and accumulated income thereon. The terms of the gift instrument stipulated that the principal may never be expended; however, the income is expendable. The Endowment reports the original sums received from Andrew Carnegie and accumulated income on this gift as net assets with donor restrictions until appropriated for use.

The endowment consists of a number of funds established for a variety of purposes and includes investments pooled for endowment.

Interpretation of relevant law

The Board of Trustees has interpreted NYUPMIFA as requiring with donor restricted net assets to include in perpetuity the original value of the gifts donated and additions made to the permanent endowment in accordance with the donor gift instrument. Donor restricted amounts not retained in perpetuity remain in the donor restricted net assets until those amounts are appropriated for expenditure by the Endowment in a manner consistent with the donor gift instruments and the standard of prudence prescribed by NYUPMIFA. In accordance with NYUPMIFA, the Endowment considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Endowment and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Endowment
- The investment policies of the Endowment

Return objectives and risk parameters

The Endowment adopted an investment policy and a spending rate policy designed to provide a relatively predictable and growing stream of revenues to the operating budget. The Endowment follows an investment policy that attempts to maximize annualized returns, net of costs, over rolling ten-year periods, while adhering to the Endowment's risk parameters.

Strategies employed for achieving objectives

To achieve its long-term investment objective, the Endowment 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). The Endowment targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objective within prudent risk constraints.

Underwater endowments

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required by donors. The Endowment has interpreted NYUPMIFA to permit spending from underwater endowments in accordance with the prudent measures required under law. As of June 30, 2026 and 2025, the Endowment did not have any underwater funds.

Spending policy and investment objectives related to spending policy

The investment income allocation from the Endowment for operating expenditures has two components: 70% of the previous year's appropriation increased by an inflation factor, and 30% of the average market value of the portfolio for the 90-day period preceding the end of the fiscal year from two years prior, multiplied by 5%.

Endowment funds are recorded in with donor restrictions and consist of the following:

As of June 30,	**2026**	2025
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity by donors:		
Andrew Carnegie's original endowment	**$ 10,000,000**	$ 10,000,000
Other donor endowments	**26,216,081**	23,137,654
	36,216,081	33,137,654
Accumulated investment gains	**482,763,900**	375,816,295
Total endowment funds	**$ 518,979,981**	$ 408,953,949

Changes in endowment net assets for the years ended June 30, 2026 and 2025 are as follows:

Endowment net assets, June 30, 2024	$	372,551,025
Investment return, net		51,641,030
Contributions		2,731,869
Amounts appropriated for expenditure		(17,969,975)
Endowment net assets, June 30, 2025		408,953,949
Investment return, net		**126,154,842**
Contributions		**3,078,427**
Amounts appropriated for expenditure		**(19,207,237)**
Endowment net assets, June 30, 2026	**$**	**518,979,981**

Income earned on investments of permanent endowments is reported in the accompanying consolidated statement of activities and change in net assets as increases in with donor restricted net assets.

16. Subsequent Events

Subsequent events have been evaluated by management through October 14, 2026, the date the consolidated financial statements were available to be issued. There were no events noted that required adjustment or disclosure in these consolidated financial statements.