EisnerAmper

SECURITY COUNCIL REPORT, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025 and 2024
(with supplementary information)

SECURITY COUNCIL REPORT, INC.

Contents

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Security Council Report, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Security Council Report, Inc. ("SCR"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Security Council Report, Inc., as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for each of 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SCR and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 SCR's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SCR'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 SCR'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.

Other Matter – Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Cash Receipts and Expenditures for the years ended December 31, 2025, 2024, 2023 and 2022, on pages 14-15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
April 24, 2026

SECURITY COUNCIL REPORT, INC.

Statements of Financial Position

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	**$ 507,279**	$ 293,936
Grants receivable, net	**1,065,284**	1,066,568
Security deposit	**110,674**	110,674
Prepaid expenses and other assets	**45,021**	44,463
Right-of-use asset	**29,357**	378,564
	$ 1,757,615	$ 1,894,205
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 193,840**	$ 201,115
Line of credit	**2,793**	6,033
Lease liability	**35,228**	447,194
Total liabilities	**231,861**	654,342
Commitment (see Note E)		
Net assets:		
Without donor restrictions	**251,044**	102,299
With donor restrictions:		
Time restricted for future periods	**531,088**	84,998
Purpose restrictions	**743,622**	1,052,566
Total net assets with donor restrictions	**1,274,710**	1,137,564
Total net assets	**1,525,754**	1,239,863
	$ 1,757,615	$ 1,894,205

SECURITY COUNCIL REPORT, INC.

Statements of Activities

	Year Ended December 31,					
	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Public support:						
Grants and contributions	**$ 1,332,692**	**$ 1,520,311**	**$ 2,853,003**	$ 743,447	$ 1,256,526	$ 1,999,973
Other income	**24,128**	**-**	**24,128**	11,415	-	11,415
Total public support before release of restrictions	**1,356,820**	**1,520,311**	**2,877,131**	754,862	1,256,526	2,011,388
Net assets released from restrictions	**1,383,165**	**(1,383,165)**	**-**	1,337,762	(1,337,762)	-
Total public support	**2,739,985**	**137,146**	**2,877,131**	2,092,624	(81,236)	2,011,388
Expenses:						
Program services	**2,393,615**	**-**	**2,393,615**	2,201,932	-	2,201,932
Supporting services:						
Management and general	**220,737**	**-**	**220,737**	341,272	-	341,272
Fund-raising	**63,900**	**-**	**63,900**	169,237	-	169,237
Total supporting services	**284,637**	**-**	**284,637**	510,509	-	510,509
Total expenses	**2,678,252**	**-**	**2,678,252**	2,712,441	-	2,712,441
Change in net assets before foreign currency	**61,733**	**137,146**	**198,879**	(619,817)	(81,236)	(701,053)
Foreign currency translation gains (losses)	**87,012**	**-**	**87,012**	(55,370)	-	(55,370)
Change in net assets	**148,745**	**137,146**	**285,891**	(675,187)	(81,236)	(756,423)
Net assets, beginning of year	**102,299**	**1,137,564**	**1,239,863**	777,486	1,218,800	1,996,286
Net assets, end of year	**$ 251,044**	**$ 1,274,710**	**$ 1,525,754**	$ 102,299	$ 1,137,564	$ 1,239,863

See notes to financial statements.

SECURITY COUNCIL REPORT, INC.

Statements of Functional Expenses

	Year Ended December 31,							
	2025				2024			
	Program Services	Supporting Services			Program Services	Supporting Services		
	Informational Product Services	Management and General	Fundraising	Total	Informational Product Services	Management and General	Fundraising	Total
Salaries and benefits	**$ 1,921,000**	**$ 131,301**	**$ 34,087**	**$ 2,086,388**	$ 1,642,795	$ 243,377	$ 141,970	$ 2,028,142
Contract services	**99,333**	**-**	**-**	**99,333**	129,692	16,845	9,065	155,602
Professional fees	**-**	**39,020**	**13,007**	**52,027**	17,415	35,841	-	53,256
Occupancy	**345,605**	**22,539**	**7,513**	**375,657**	325,754	35,408	16,524	377,686
Catering, meals and travel	**10,444**	**2,447**	**816**	**13,707**	37,746	150	-	37,896
Publications	**5,565**	**-**	**-**	**5,565**	12,916	-	-	12,916
Office expenses	**11,668**	**8,726**	**2,909**	**23,303**	21,600	3,337	967	25,904
Insurance	**-**	**12,721**	**4,240**	**16,961**	14,014	1,523	711	16,248
Other	**-**	**3,983**	**1,328**	**5,311**	-	4,791	-	4,791
	$ 2,393,615	**$ 220,737**	**$ 63,900**	**$ 2,678,252**	$ 2,201,932	$ 341,272	$ 169,237	$ 2,712,441

SECURITY COUNCIL REPORT, INC.

Statements of Cash Flows

	Year Ended December 31, 2025	Year Ended December 31, 2024
Cash flows from operating activities:		
Change in net assets	**$ 285,891**	$ (756,423)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Noncash lease amortization	**349,207**	343,679
Changes in:		
Grants receivable, net	**1,284**	80,117
Prepaid expense and other assets	**(558)**	8,509
Accounts payable and accrued expenses	**(7,275)**	(62,249)
Lease liability	**(411,966)**	(396,300)
Net cash provided by (used in) operating activities	**216,583**	(782,667)
Cash flows from financing activities:		
Proceeds under line-of-credit agreement	**1,310**	69,051
Principal payments under line-of-credit agreement	**(4,550)**	(95,507)
Net cash used in financing activities	**(3,240)**	(26,456)
Net change in cash and cash equivalents	**213,343**	(809,123)
Cash and cash equivalents, beginning of year	**293,936**	1,103,059
Cash and cash equivalents, end of year	**$ 507,279**	$ 293,936

See notes to financial statements.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

Security Council Report, Inc. ("SCR"), a not-for-profit organization incorporated in New York, was established in 2004 to provide timely, accurate and objective information and analysis on the activities of the United Nations Security Council (the "Security Council"). This information and analysis is provided for the benefit of member states of the United Nations, particularly the ten elected members of the Security Council, but also the wider United Nations membership, the United Nations Secretariat and the public.

SCR is incorporated as a not-for-profit corporation and exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code") and from state and local taxes under comparable laws.

[2] Basis of accounting:

The financial statements of SCR have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

[4] Cash and cash equivalents:

For financial-reporting purposes, SCR considers all highly liquid investments, with maturities of three months or less, to be cash equivalents.

[5] Property and equipment:

Property and equipment are stated at their original costs at the dates of acquisition, or, if contributed, at their appropriate fair values at the dates of donation. SCR capitalizes items of property and equipment that have a cost of $5,000 or more and a useful life greater than one year, of which there were none as of December 31, 2025 and 2024.

[6] Accrued vacation:

SCR's employees are entitled to be paid for unused vacation time if they leave SCR. Accordingly, at each year-end, SCR must recognize a liability for the amount that would be incurred if employees with such unused vacation were to leave. The accrued vacation obligation for 2025 and 2024 was approximately $124,000 and $122,000, respectively, and is included in accounts payable and accrued expenses, in the accompanying statements of financial position.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Leases:

SCR determines if an arrangement is a lease at inception. For SCR's operating lease, a right-of-use ("ROU") asset represents SCR's right to use an underlying asset for the lease term and an operating lease liability represents an obligation to make lease payments arising from the lease. The ROU asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. Since SCR's lease agreements do not provide an implicit interest rate, SCR uses a risk-free rate based on the information available at the commencement date in determining the present value of the lease payments. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. Variable lease costs, such as operating costs, are expensed as incurred.

[8] Net assets:

SCR's net assets and changes therein are classified and reported as follows:

(i) Net assets without donor restrictions:

Net assets without donor restrictions represent those resources that are not subject to donor-imposed restrictions and are available for current operations.

(ii) Net assets with donor restrictions:

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the accompanying statements of activities as "net assets released from restrictions."

[9] Revenue recognition:

The operations of SCR are financed principally by foundation grants and contributions received from foreign governments. Grants and contributions are recognized as revenue upon the receipt of either cash or other assets, or unconditional pledges. Grants and contributions are reported as "with donor restrictions" if they are received with donor stipulations or time considerations as to their use. Conditional grants and contributions are recorded when the conditions have been met, and, if received in advance, are recognized in the statements of financial position as funds received in advance. Grants and contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

The following donors requested that their grants be specifically acknowledged in SCR's audited financial statements. SCR believes all funds are used in a manner consistent with the donor-imposed restrictions and contractual agreements: $157,587 from Finland, $86,565 from Ireland, $163,051 from Korea, $933,348 from Netherlands, and $137,499 from Switzerland. During 2024, SCR received grants from various donors, including: $127,455 from Denmark, $150,000 from Finland, $81,270 from Ireland, $74,840 from Korea, $958,650 from Norway, and $240,645 from Switzerland. These grants are included in the accompanying statements of activities as "grants and contributions." The Supplementary Information also provides information on multi-year grants.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[10] Functional allocation of expenses:

The costs of providing SCR's programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by natural classification and function. Accordingly, certain costs that are directly attributable to a specific functional area of SCR are reported as an expense to the appropriate program or supporting service. Natural expenses attributable to more than one functional expense category have been allocated among the programs and supporting services based on the time and effort spent by employees and the nature of the expense. The expenses that are allocated include occupancy, publications, professional fees, contract services and catering, meals and travel.

[11] Income taxes:

SCR is subject to the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, relating to accounting and reporting for uncertainty in income taxes. Because of SCR's general tax-exempt status, management believes ASC Topic 740 has not had, and is not expected to have, a material impact on SCR's financial statements.

[12] Foreign currency translation:

The gains or losses on foreign currency translations are the inherent result of the process of translating into U.S. dollars, for financial-reporting purposes, those foreign grants and contributions that SCR receives as stated in their respective functional currencies. Such annual translation adjustments are not included in determining the net change in assets from operations, but they are instead disclosed as a separate component in the accompanying statements of activities. Likewise, the cumulative translation gains or losses continue to be reported as an element of net assets without donor restrictions in the accompanying statements of financial position. During 2025 and 2024, $110,878 and $197,890 in cumulative foreign currency translation losses, respectively, were included in the net assets without donor restrictions.

[13] Reclassifications:

Certain amounts in the prior-year financial statements have been reclassified to conform to the current year presentation.

[14] Subsequent events:

SCR evaluates subsequent events through April 24, 2026, the date at which the financial statements were available to be issued.

SECURITY COUNCIL REPORT, INC.

Notes to Financial Statements
December 31, 2025 and 2024

NOTE B - GRANTS RECEIVABLE

At each year-end, grants receivable consisted of the following:

	December 31, 2025	December 31, 2024
Due in less than one year	**$ 856,975**	$ 656,422
Due in one to five years	**243,348**	481,145
	1,100,323	1,137,567
Less: discount to present value, at a rate of 7.37% and 8.31% in 2025 and 2024, respectively	**(35,039)**	(70,999)
	$ 1,065,284	$ 1,066,568

During 2025 and 2024, approximately 89% and 84%, respectively, of SCR's total gross grants receivable were due from three and two grantors, respectively.

NOTE C - NET ASSETS WITH DONOR RESTRICTIONS

At each year-end, net assets with donor restrictions consisted of the following:

	December 31, 2025	December 31, 2024
Restricted for future periods	**$ 531,088**	$ 84,998
Restricted for the following purpose:		
Capacity Building Program	**19,846**	50,000
Publications	**543,484**	962,290
Research Reports	**180,292**	40,276
	743,622	1,052,566
	$ 1,274,710	$ 1,137,564

NOTE C - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

During each year, net assets with donor restrictions were associated with the following:

	December 31, 2025	December 31, 2024
Time restrictions satisfied	**$ 824,000**	$ 614,706
Purpose restrictions satisfied:		
Capacity Building Program	**59,129**	51,228
Technical Assistance Program	**-**	10,954
Publications	**418,808**	552,860
Field Work	**-**	16,331
Research Reports	**81,228**	77,749
Women, Peace and Security	**-**	13,934
	559,165	723,056
	$ 1,383,165	$ 1,337,762

NOTE D - RELATED-PARTY TRANSACTIONS

Three and two members of SCR's Board of Directors, in 2025 and 2024, respectively, were also stewards of private foundations and/or foreign governments that are principal contributors of resources to SCR; the total amounts contributed by these related parties were approximately $373,000 and $457,000 for 2025 and 2024, respectively. Total contributions from these related parties represented 13% and 23% of total contribution revenues for 2025 and 2024, respectively.

NOTE E - COMMITMENT

Information relating to the "lease costs," which include all costs during the period associated with an operating lease, as well as the costs related to variable lease components, is as follows:

	December 31, 2025	December 31, 2024
Operating lease costs	**$ 352,766**	$ 352,766
Variable lease costs	**22,891**	24,920
Total lease cost	**$ 375,657**	$ 377,686

NOTE E - COMMITMENT (CONTINUED)

SCR's operating lease agreement for office space expires in January 2026. At December 31, 2025 and 2024, the future minimum lease payments under the non-cancellable lease agreement are as follows:

Year Ending December 31,	2025	2024
2025	**$ -**	$ 415,521
2026	**35,272**	35,272
Total minimum lease payments	**35,272**	450,793
Less: amount representing interest	**(44)**	(3,599)
Amount reported on statements of financial position	**$ 35,228**	$ 447,194
Weighted average remaining lease term:		
Operating lease	**1 month**	13 months
Weighted average discount rate:		
Operating lease	**1.37%**	1.37%

SCR's lease security deposit is held by the lessor.

NOTE F - LINE OF CREDIT

SCR has a business line of credit agreement in the amount of $35,000 with a bank, is secured by the general assets of SCR. Interest on the line is payable at a variable rate subject to the market rate and the prime rate, which at December 31, 2025 and 2024 was equivalent to 24.99%. At December 31, 2025 and 2024, the outstanding balances were approximately $2,800 and $6,000, respectively.

NOTE G - RISK CONSIDERATIONS

Financial instruments that potentially subject SCR to concentrations of credit risk consist principally of cash and cash-equivalent accounts deposited in high-credit-quality financial institutions, the balances of which, from time to time, may exceed federal insurance limits. However, due to the high credit quality of these institutions, management believes that SCR does not face a significant risk of loss on these accounts that would be due to the failure of these institutions. Management monitors the risk associated with the concentration on an ongoing basis.

In addition, as a percentage of its total contributions revenue in both 2025 and 2024, SCR received 91%, from fifteen and eight grantors, respectively.

NOTE H - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects SCR's financial assets available for general use within one year of the statements of financial position date:

	December 31,	
	2025	**2024**
Cash and cash equivalents	**$ 507,279**	$ 293,936
Grants receivable, net	**1,065,284**	1,066,568
Total financial assets available within one year	**1,572,563**	1,360,504
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose and time restrictions	**(1,274,710)**	(1,137,564)
Total financial assets available to meet cash general expenditures within one year	**$ 297,853**	$ 222,940

Liquidity policy:

SCR has a policy to structure its financial assets to maintain a sufficient level of operating cash to be available as its general expenditures, liabilities and other obligations come due as part of SCR's liquidity management. Additionally, SCR has access to a $35,000 bank line of credit, as discussed in Note F, which is available for short-term liquidity needs.

SUPPLEMENTARY INFORMATION

SECURITY COUNCIL REPORT, INC.

Schedule of Cash Receipts and Expenditures
Multi-year grants
For the Years Ended December 31 2025, 2024, 2023 and 2022

For the Government of Denmark, Ministry of Foreign Affairs

File number 2016-33662; Letter of Commitment dated June 29, 2022
Contract dates: July 1, 2022 through December 31, 2026

Total Award	Year Award Amount Received	Award Amount Received	Award Expenditure	Balance of Award at 12/31
DKK		DKK	DKK	DKK
6,250,000	2022	1,250,000	1,250,000	5,000,000
	2023	1,250,000	1,250,000	3,750,000
	2024	1,250,000	1,250,000	2,500,000
	2025	1,250,000	1,250,000	1,250,000

Total Award	Year Award Amount Received	Award Amount Received	Award Expenditure	Balance of Award at 12/31 (including currency exchange)
USD		USD	USD	USD
$ 880,000	2022	$ 171,161	$ 171,161	$ 720,000
	2023	$ 181,775	$ 181,775	$ 556,500
	2024	$ 184,025	$ 184,025	$ 346,990
	2025	$ 190,725	$ 190,725	$ 196,388

For the Government of The Netherlands, Ministry of Foreign Affairs

(1) Application no. 4000006272 / Contribution Security Council Report 2022-2024
Contract dates: January 1, 2022 through December 31, 2024
All figures are in USD

Total Award	**Year Award Amount Received**	**Award Amount Received**	**Award Expenditure**	**Balance of Award at 12/31**
Up to $780,000 USD	2022	$ 247,000	$ 247,000	$ 533,000
	2023	$ 247,000	$ 247,000	$ 286,000
	2024	$ 247,000	$ 247,000	$ 39,000
	2025	$ 39,000	$ 39,000	$ -

SECURITY COUNCIL REPORT, INC.

Schedule of Cash Receipts and Expenditures
Multi-year grants
For the Years Ended December 31 2025, 2024, 2023 and 2022

For the Government of The Netherlands, Ministry of Foreign Affairs (continued)

2) Application no. 250002300 / Contributions Security Council Report 2025-2027
Contract dates: March 4, 2025 through December 31, 2027
All figures are in USD

Total Award	Year Award Amount Received	Award Amount Received	Award Expenditure	Balance of Award at 12/31
Up to $933,348 USD	2025	$ 500,000*	$ 398,931	$ 101,069

*Available for use in 2025 and 2026

For the Government of Norway, Norwegian Agency for Development Cooperations (Norad)
Agreement QZQ-24/0049
Contract dates: January 1, 2024 through December 31, 2026

Total Award	Year Award Amount Received	Award Amount Received	Award Expenditure	Balance of Award at 12/31
NOK		NOK	NOK	NOK
10,500,000	2024	3,500,000	3,500,000	7,000,000
	2025	3,500,000	3,500,000	3,500,000

Total Award	Year Award Amount Received	Award Amount Received	Award Expenditure	Balance of Award at 12/31 (including currency exchange)
USD		USD	USD	USD
$ 958,650	2024	$ 321,348	$ 321,348	$ 615,300
	2025	$ 319,785	$ 319,785	$ 347,095