Financials

Financial Planning Standards Board Ltd.

Consolidated Financial Report
December 31, 2025

Contents

Independent auditor’s report	1-2
Financial statements	
Consolidated statements of financial position	3
Consolidated statements of activities	4
Consolidated statements of functional expenses	5
Consolidated statements of cash flows	6
Notes to consolidated financial statements	7-17

Independent Auditor's Report

Board of Directors
Financial Planning Standards Board Ltd.

Opinion
We have audited the consolidated financial statements of Financial Planning Standards Board Ltd. (FPSB), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FPSB as of December 31, 2025 and 2024, 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 Financial Statements section of our report. We are required to be independent of FPSB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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 FPSB'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 FPSB'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.

RSM US LLP

Kansas City, Missouri
April 8, 2026

Financial Planning Standards Board Ltd.

Consolidated Statements of Financial Position
December 31, 2025 and 2024

		2025		2024
Assets				
Current assets:				
Cash and cash equivalents	**$**	**1,277,236**	$	879,468
Funds held on behalf of FPSB		**-**		71,130
Accounts receivable		**55,619**		149,643
Prepaid expenses		**91,417**		99,748
Deposits		**15,411**		33,116
Total current assets		**1,439,683**		1,233,105
Certification materials, net		**164,729**		59,075
Property and equipment, net		**104,928**		116,232
Other assets:				
Right-of-use assets—operating leases		**335,812**		395,475
Deferred compensation investments		**175,656**		267,391
Investments		**2,795,632**		2,523,342
Trademarks		**532,291**		532,291
Total other assets		**3,839,391**		3,718,499
Total assets	**$**	**5,548,731**	$	5,126,911
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	**$**	**163,878**	$	86,115
Accrued liabilities		**665,707**		500,040
Deferred revenue		**592,695**		526,928
Current maturities of operating lease obligations		**90,953**		68,924
Total current liabilities		**1,513,233**		1,182,007
Long-term liabilities:				
Deferred compensation liability		**205,906**		267,391
Long-term operating lease obligations		**328,442**		408,572
Total long-term liabilities		**534,348**		675,963
Total liabilities		**2,047,581**		1,857,970
Net assets without donor restrictions:				
Undesignated		**705,518**		745,599
Designated		**2,795,632**		2,523,342
Total net assets		**3,501,150**		3,268,941
Total liabilities and net assets	**$**	**5,548,731**	$	5,126,911

See notes to consolidated financial statements.

Financial Planning Standards Board Ltd.

Consolidated Statements of Activities
Years Ended December 31, 2025 and 2024

	2025	2024
Net assets without donor restrictions:		
Revenue and gains:		
Affiliate revenue:		
CFP certifications	**$ 3,818,492**	$ 3,685,666
Other certifications	**841,474**	857,535
Research participation fees	**32,058**	90,426
Global Meeting fees	**150,000**	169,400
Direct certification revenue:		
Student enrollment fees	**344,281**	277,838
Certification fees	**13,252**	414,275
Examination fees	**488,384**	322,712
Other education program fees	**803,520**	197,797
Net investment return	**270,753**	165,025
Other income (loss)	**24,665**	(4,760)
Total revenue and gains	**6,786,879**	6,175,914
Expenses:		
Program services	**4,752,622**	3,876,839
Management and general	**1,802,048**	2,068,687
Total expenses	**6,554,670**	5,945,526
Change in net assets	**232,209**	230,388
Net assets, beginning of year	**3,268,941**	3,038,553
Net assets, end of year	**$ 3,501,150**	$ 3,268,941

See notes to consolidated financial statements.

Financial Planning Standards Board Ltd.

Consolidated Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

	2025			2024		
	Program Services	**Management and General**	**Total**	Program Services	Management and General	Total
Salaries and benefits	$ 2,205,733	$ 1,448,570	**$ 3,654,303**	$ 1,872,646	$ 1,650,768	$ 3,523,414
Professional fees	874,157	99,356	**973,513**	731,275	134,438	865,713
Trademark portfolio management	347,451	-	**347,451**	314,693	-	314,693
Depreciation and amortization	34,886	23,473	**58,359**	51,346	32,138	83,484
Information technology	113,466	24,620	**138,086**	58,771	36,962	95,733
Legal fees	387,360	-	**387,360**	139,625	-	139,625
Office rent	38,808	44,078	**82,886**	43,918	71,754	115,672
Other	67,535	47,498	**115,033**	-	-	-
Dues and subscriptions	46,835	12,836	**59,671**	43,143	9,993	53,136
Direct certification processing fees	33,970	-	**33,970**	40,060	3,224	43,284
Insurance	29,883	27,774	**57,657**	29,570	35,483	65,053
Telecommunications	7,366	7,164	**14,530**	4,485	6,147	10,632
Meetings and travel	555,860	58,719	**614,579**	524,035	71,802	595,837
Office equipment and supplies	6,024	6,599	**12,623**	10,667	14,208	24,875
Shipping and printing	3,288	1,361	**4,649**	12,605	1,770	14,375
Total expenses	**$ 4,752,622**	**$ 1,802,048**	**$ 6,554,670**	$ 3,876,839	$ 2,068,687	$ 5,945,526

See notes to consolidated financial statements.

Financial Planning Standards Board Ltd.

Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 232,209	$ 230,388
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	58,359	83,484
Loss on sale of equipment	843	4,938
Net investment gain on deferred compensation investments	(15,550)	(10,783)
Net realized and unrealized gains on investments	(108,081)	(481)
(Increase) decrease on operating assets:		
Funds held on behalf of FPSB	71,130	(47,824)
Accounts receivable	94,024	(98,045)
Prepaid expenses	8,331	(28,119)
Deposits	17,705	(12,771)
Right of use assets—operating	59,663	79,497
Increase (decrease) on operating liabilities:		
Accounts payable	77,763	26,469
Accrued liabilities	165,667	(23,359)
Deferred compensation liability	(61,485)	(81,047)
Deferred revenue	65,767	(111,243)
Operating lease obligations, net	(58,101)	(76,758)
Net cash provided by (used in) operating activities	608,244	(65,654)
Cash flows from investing activities:		
Capitalization of certification materials	(115,529)	(46,094)
Purchase of equipment	(38,023)	(40,130)
Purchase of deferred compensation investments	(37,290)	(88,489)
Sales of deferred compensation investment	144,575	180,319
Sales of investments	2,713,318	1,712,673
Purchase of investments	(2,877,527)	(1,888,373)
Net cash used in investing activities	(210,476)	(170,094)
Net change in cash and cash equivalents	397,768	(235,748)
Cash and cash equivalents, beginning of year	879,468	1,115,216
Cash and cash equivalents, end of year	$ 1,277,236	$ 879,468
Supplemental disclosures of noncash investing activities:		
Right-of-use assets obtained in exchange for new operating lease obligations	$ -	$ 414,377
Leasehold improvements acquired with lease incentives	$ -	$ 54,558
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows—payments on operating leases	$ 88,931	$ 83,806

See notes to consolidated financial statements.

Note 1. Principal Activity and Significant Accounting Policies

Organization: Financial Planning Standards Board Ltd. (FPSB) was established as a 501(c)(6) not-for-profit organization for the purpose of managing, developing and operating financial planning certification, education and related programs to benefit the global community of consumers and potential consumers of financial planning services, and any other matters permitted by law. FPSB's goal is to benefit the global community by establishing, upholding and promoting worldwide professional standards in financial planning. Key strategic objectives are:

Financial planning professionals: Grow the number of CFP professionals to position CFP certification as the designation of choice for the financial planning profession worldwide.

Partnerships: Partner with key stakeholders to strengthen the global financial planning profession and benefit the public.

Standards and certification: Set, maintain and enforce global financial planning standards and CFP certification requirements to protect and serve the public, and advance the profession.

Brand and awareness: Increase awareness of financial planning with CFP certification as its symbol of excellence, and position FPSB as the global leader of the profession.

The Reserve Bank of India issued an approval letter dated December 12, 2019, granting FPSB permission to establish a liaison office in India. The liaison office was registered in India under the Companies Act, 2013 on March 9, 2020, and started hiring personnel in February 2021. The liaison office acted as a communication channel between certified professionals and affiliated institutions in India until FPSB's wholly-owned subsidiary was legally formed. The liaison office was then closed in the first quarter of 2023 with legal proceedings finalized in early 2024.

In August 2022, FPSB created a wholly-owned subsidiary called FPSB Institute India Private Limited (FIIPL). FIIPL revenues consist of student enrollment fees, education course and educator provider fees. There were $1,424,702 and $904,856 revenue generating activities consolidated through this subsidiary for the years ended December 31, 2025 and 2024, respectively.

In November 2025, FPSB created a wholly-owned subsidiary called FPSB International Korea Co., Ltd. (FPSB International Korea). FPSB International Korea revenues consist of certification fees, examination fees and other education related fees. There were no revenue generating activities consolidated through this subsidiary for the years ended December 31, 2025 and 2024.

A summary of FPSB's significant accounting policies is as follows:

Principles of consolidation: The consolidated financial statements (collectively, the financial statements) include the accounts of FPSB and its consolidated wholly-owned subsidiaries, FIIPL and FPSB International Korea. All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of presentation: The financial statements have been prepared on the accrual basis of accounting applicable to nonprofit organizations in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). As required by the Not-for-Profit Entities Topics of Financial Accounting Standards Board Accounting Standards Codification (ASC), FPSB is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Note 1. Principal Activity and Significant Accounting Policies (Continued)

Net assets without donor restrictions: Net assets without donor restrictions include undesignated resources and, therefore, are available for the general activities of FPSB or designation by the board of directors. All of FPSB's net assets are available for use in general operations. FPSB's board of directors (the Board) has designated an operating reserve from FPSB's net assets without donor restrictions to provide resources to protect FPSB's trademarks and to address unforeseen economic circumstances (see Note 2).

Net assets with donor restrictions: Net assets with donor restrictions are those whose use by FPSB has been limited by donors to a specific time period or purpose or must be maintained in perpetuity by FPSB. FPSB has no net assets with donor restrictions for the years ended December 31, 2025 and 2024.

Use of estimates: In preparing financial statements in conformity with U.S. GAAP, FPSB is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: FPSB considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

Funds held on behalf of FPSB: Funds held on behalf of FPSB represent funds collected from students and professionals on FPSB's behalf but not yet remitted to FPSB as of year-end.

Investments and investment return: Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income and unrealized and realized gains and losses on investments carried at fair value. Investment return is reflected in the consolidated statements of activities as with or without donor restrictions, based upon the existence and nature of any donor or legally imposed restrictions. Purchases and sales of securities are recorded on trade dates, and realized gains and losses are determined on the basis of the average cost of securities sold.

Financial risk: FPSB manages deposit concentration risk by placing cash with financial institutions FPSB believes to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, FPSB has not experienced losses in any of these accounts.

FPSB places investments in a professionally managed portfolio that contains various equity and debt securities. Therefore, investments may be subject to significant fluctuations in fair value and investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because outstanding amounts are generally due from affiliates.

Note 1. Principal Activity and Significant Accounting Policies (Continued)

Accounts receivable and allowance for credit losses: Accounts receivable consist of noninterest-bearing amounts due from affiliate organizations for certification program services performed, and are presented net of any allowance for credit losses. Where applicable, FPSB determines its allowance by considering a number of factors, including the affiliate organization's economic environment and previous payment history. FPSB writes off accounts receivable when they are determined to be uncollectible. As of December 31, 2025 and 2024, FPSB determined no allowance to be necessary. Recoveries of accounts receivable previously written off are recorded when received. There were $44,903 of credit loss expenses for the year ended December 31, 2025. There were no credit loss recoveries or expenses for the year ended December 31, 2024. FPSB will continue to monitor and evaluate the adequacy of the allowance for credit losses on accounts receivable on a regular basis and make adjustments as necessary in response to changes in economic conditions and credit quality indicators.

Receivables from contracts with customers are reported as accounts receivable and contract liabilities are reported as deferred revenue in the accompanying consolidated statements of financial position.

Prepaid expenses: Prepaid expenses consist of expenses paid in advance, but not yet incurred.

Certification materials: Certification materials are reported at cost of capitalized expenditures, less accumulated amortization, with a value greater than $500 and a useful life of more than one year, to create and edit original content including textbooks, case studies, practice examinations and instructor guides. Amortization is computed using the straight-line method, based on an estimated three years of useful life of the materials.

Property and equipment: Property and equipment is stated at cost less accumulated depreciation. In general, FPSB capitalizes equipment with a value greater than $500 and a useful life of more than one year. Major renewals and improvements are also capitalized (general maintenance and repairs which do not improve or extend the lives of the assets are expensed). Depreciation and amortization are charged to expense and computed using the straight-line method, based on estimated useful lives of the assets, which range from three to seven years, or in the case of capitalized leasehold improvements, the shorter of the useful life of the asset or the lease term.

FPSB reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2025 and 2024.

Leases: FPSB determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. FPSB also considers whether its service arrangements include the right to control the use of an asset.

FPSB recognizes most leases on its consolidated statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the consolidated statements of activities.

Note 1. Principal Activity and Significant Accounting Policies (Continued)

FPSB made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date, and are reduced by any lease incentives received. To determine the present value of lease payments, FPSB made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

FPSB has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The nonlease components typically represent additional services transferred to FPSB, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Trademarks: Trademarks are considered to have an indefinite life and therefore are not amortized. FPSB records impairment losses on trademarks when events and circumstances indicate that these assets might be impaired and the estimated fair value of the assets is less than its recorded amount. Fair value is estimated using the expected present value of future cash flows. Conditions that would necessitate an impairment assessment include material adverse changes in operations, a decision to abandon acquired products or other significant adverse changes that would indicate the carrying amount of the recorded assets might not be recoverable. As of December 31, 2025 and 2024, the trademarks were not impaired.

Revenue and revenue recognition: Revenue is recognized from the sales of services when the performance obligations of providing the services are met. Payments are required at the time of sale or start of the membership period. Amounts received in advance are deferred to the applicable period. With the exception of services provided in connection with membership dues, which are transferred over the period of membership, all services are transferred at a point in time.

FPSB’s affiliates comprise the leading financial planning organizations on six continents. These organizations are committed to developing, promoting and enforcing world-class standards for financial planning professionalism, and offer the globally recognized CFP certification program in their territories.

Affiliate revenue represents charges to affiliates for the right to administer FPSB’s certification programs in their local territory (which includes license rights to FPSB’s trademarks and other program intellectual property) and to affiliate with FPSB and participate in the broader FPSB network. The revenue is a contractually specified fixed annual fee or annual per-certified-professional fee and is due in one or more installments as specified in FPSB’s agreements. FPSB recognizes these fees over the license and/or affiliation period, typically a calendar year, as the performance of FPSB’s license and affiliation obligations are fulfilled. FPSB recognizes research participation fees as services are performed, and Global Meeting revenue at a point in time when FPSB delivers the event.

Note 1. Principal Activity and Significant Accounting Policies (Continued)

Direct certification revenue includes student enrollment, examination, certification fees, as well as other education program fees from students and education providers. FPSB recognizes revenue from examination fees at the point in time FPSB's performance obligation to provide access to the exam is met and a student sits for their examination. Student enrollment, certification and other education program fees are recognized ratably over the applicable period as FPSB meets its performance obligations to provide students with access to education tracks leading to certifications, professionals with access to annual certification rights, or deliver educational programs, respectively. Payments for student enrollment, examinations, certification fees and other educational programs due and received in advance are recorded as deferred revenue in the accompanying consolidated statements of financial position. The beginning balance for accounts receivable was $74,904 at January 1, 2024.

The following table provides information about significant changes in deferred revenue for the years ended December 31, 2025 and 2024:

	2025	2024
Deferred revenue, beginning of year	$ 526,928	$ 638,171
Revenue recognized that was included in deferred revenue at the beginning of year	(526,928)	(638,171)
Increases in deferred revenue due to cash received during the year	592,695	526,928
Deferred revenue, end of year	$ 592,695	$ 526,928

Expenses: Expenses are recognized when incurred. Expenses paid in advance but not yet incurred are deferred to the applicable period.

Functional allocation of expenses: The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs incurred related to the natural expense categories of salaries and benefits, depreciation and amortization, information technology, office rent, insurance, telecommunications and office equipment and supplies are allocated on the basis of time and effort employees spent on program services and management and general activities.

Accounting for uncertain tax positions and goods and services tax (GST): FPSB is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. However, income from activities not directly related to FPSB's tax-exempt purpose is subject to taxation as unrelated business income. FPSB did not have taxable income or income tax expense during the years ended December 31, 2025 and 2024. In addition, FPSB is required to collect and remit GST in India relating to certain streams of revenue. GST is considered a pass-through transaction; as such, no revenues or expenses are recognized when GST is collected from the customer. Furthermore, FPSB pays an equalization levy on revenue streams coming to the United States and also pays a royalty tax on the education provider fees revenue stream which is included in the other education program fees line items on the consolidated statements of activities.

FPSB applied the provisions of the Accounting for Uncertainty in Income Taxes topic of the ASC. Management has evaluated FPSB's tax positions and concluded that FPSB had taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance.

Note 1. Principal Activity and Significant Accounting Policies (Continued)

Subsequent events: FPSB has evaluated subsequent events through April 8, 2026, the date on which the financial statements were available to be issued.

Note 2. Liquidity and Availability

Financial assets at December 31, 2025 and 2024, available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, include the following:

	2025	2024
Cash and cash equivalents	$ 1,277,236	$ 879,468
Funds held on behalf of FPSB	-	71,130
Accounts receivable	55,619	149,643
	$ 1,332,855	$ 1,100,241

The Board has designated a reserve fund that is maintained in a segregated account. As of December 31, 2025 and 2024, the account had a balance of $2,795,632 and $2,523,342, respectively.

As part of FPSB's liquidity management plan, FPSB holds appropriate balances of cash and cash equivalents in checking and savings accounts. FPSB also maintains a line of credit available in the event FPSB encounters short-term cash flow needs (see Note 8).

Note 3. Fair Value Measurements and Disclosures

FPSB reports certain assets at fair value in the financial statements. Fair value is the price FPSB would receive to sell an asset in the market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of FPSB. Unobservable inputs are inputs that reflect FPSB's assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets that FPSB can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset. In these situations, FPSB develops inputs using the best information available in the circumstances.

Note 3. Fair Value Measurements and Disclosures (Continued)

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based on the pricing transparency of the asset and does not necessarily correspond to FPSB's assessment of the quality, risk or liquidity profile of the asset.

The investment assets for FPSB's deferred compensation plans are classified within Level 1 because they are composed of open-end mutual funds and exchange-traded funds with readily determinable fair values based on daily redemption values.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based on independently sourced market parameters, including but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projects and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2025 and 2024.

The following tables present assets measured at fair value on a recurring basis, except those measured at cost as identified below, at December 31, 2025 and 2024:

	2025			
		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Deferred compensation investments:				
Cash (at cost)*	$ 85,298	$ -	$ -	$ -
Equity mutual funds	90,358	90,358	-	-
Total deferred compensation investments	175,656	90,358	-	-
Board designated investments:				
U.S. Treasury bonds	1,888,847	-	1,888,847	-
Bond exchange-traded funds	655,042	655,042	-	-
Corporate bonds	251,743	-	251,743	-
Total Board designated investments	2,795,632	655,042	2,140,590	-
Total investments	$ 2,971,288	$ 745,400	$ 2,140,590	$ -

Note 3. Fair Value Measurements and Disclosures (Continued)

	2024			
		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Deferred compensation investments:				
Cash (at cost)*	$ 89,849	$ -	$ -	$ -
Fixed income	77,561	77,561	-	-
Equity exchange-traded funds	33,077	33,077	-	-
Bond mutual funds	66,904	66,904	-	-
Total deferred compensation investments	267,391	177,542	-	-
Board designated investments:				
U.S. treasury bonds	1,554,437	-	1,554,437	-
Bond exchange-traded funds	547,811	547,811	-	-
Corporate bonds	421,094	-	421,094	-
Total Board designated investments	2,523,342	547,811	1,975,531	-
Total investments	$ 2,790,733	$ 725,353	$ 1,975,531	$ -

* Cash is included within the fair value table as these are held within the custodian account pertaining to deferred compensation investments.

Total investment return is composed of the following at December 31:

	2025	2024
Net realized and unrealized gains	$ 123,631	$ 11,264
Interest and dividend income, net of fees	147,122	153,761
	$ 270,753	$ 165,025

Note 4. Certification Materials

Certification materials consist of the following at December 31, 2025 and 2024:

	2025	2024
Certification materials	$ 356,310	$ 240,781
Less accumulated amortization	(191,581)	(181,706)
	$ 164,729	$ 59,075

Amortization expense related to certification materials for the years ended December 31, 2025 and 2024, was $9,875 and $7,547, respectively.

Note 4. Certification Materials (Continued)

Estimated future amortization expense related to these intangible assets is as follows:

Years ending December 31:	
2026	$ 52,745
2027	57,926
2028	48,874
2029	5,184
	$ 164,729

Note 5. Property and Equipment

Property and equipment consists of the following December 31, 2025 and 2024:

	2025	2024
Leasehold improvements	$ 45,465	$ 45,465
Computer equipment	68,139	57,446
Furniture, fixtures and equipment	115,388	101,611
Software	238,822	236,042
Less accumulated depreciation and amortization	(362,886)	(324,332)
Total	$ 104,928	$ 116,232

Depreciation and amortization expense related to property and equipment for the years ended December 31, 2025 and 2024, was $48,979 and $60,582, respectively.

Note 6. Operating Leases

FPSB rents office space and office equipment under various operating lease agreements expiring through February 2030. Some leases include an option to renew, generally at FPSB's sole discretion, with renewal terms that can extend the lease term up to five years. In addition, certain leases contain termination options, where the rights to terminate are held by FPSB, the lessor, or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that FPSB will exercise that option. FPSB's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Operating lease cost	$ 92,100	$ 83,806
Short-term lease cost	739	41,829
Total lease cost	$ 92,839	$ 125,635

Note 6. Operating Leases (Continued)

Supplemental consolidated statements of financial position information for the years ended December 31, 2025 and 2024, related to operating leases is as follows:

	2025	2024
Operating lease right-of-use assets	$ 335,812	$ 395,475
Operating lease liabilities	419,395	477,496
Weighted-average remaining lease term—operating leases	3.9 years	5 years
Weighted-average discount rate—operating leases	3.66%	3.68%

Future undiscounted cash flows for each of the next five years, and a reconciliation to the lease liabilities recognized on the consolidated statement of financial position are as follows as of December 31, 2025:

Years ending December 31:	
2026	$ 106,938
2027	109,212
2028	110,222
2029	108,706
2030	22,674
Total lease payments	457,752
Less imputed interest	(38,357)
Total present value of operating lease liability	$ 419,395

Note 7. Deferred Compensation

457(f) plan: During 2021, FPSB established a second deferred compensation plan for certain key employees. The assets and related liabilities have been reflected in the accompanying consolidated statements of financial position. Contribution expenses to this plan under each participant's agreements for the years ended December 31, 2025 and 2024, were $30,250 and $85,000, respectively. Assets for the plan totaled $175,656 and $267,391 for December 31, 2025 and 2024, respectively and offsetting liabilities totaled $205,906 and $267,391 for December 31, 2025 and 2024, respectively. A contribution of $30,250 was remitted to the asset account in February 2026.

401(k) plan: FPSB sponsors a 401(k) savings plan in which all employees 18 years of age or older, except leased or nonresident alien employees, are eligible to participate on the first day of their employment. FPSB matches up to 6% of the participant's salary up to the maximum contribution allowed by the Internal Revenue Service. Participants are fully vested in their deferrals and company match from the first day of participation in the plan. For the years ended December 31, 2025 and 2024, FSPB contributed $133,044 and $123,971, respectively, to the plan.

Note 8. Line of Credit

FPSB has a revolving credit facility with its bank allowing for advances up to $100,000. Outstanding borrowings bear interest at the prime rate plus 1.00% (7.75% and 8.5% at December 31, 2025 and 2024, respectively). The credit facility has no maturity date and is collateralized by substantially all of FPSB's assets (excluding trademarks and certification materials). At December 31, 2025 and 2024, there were no outstanding borrowings on the credit facility.

Note 9. Concentration of Credit Risk

Affiliate revenues for the years ended December 31, 2025 and 2024, include sales to the following affiliate organizations:

	2025	2024
United States of America	$ 463,500	$ 472,000
International sales:		
People's Republic of China	1,547,380	1,547,076
Japan	596,677	562,840
Canada	434,319	420,401
Other areas	1,800,148	1,800,710
	$ 4,842,024	$ 4,803,027

Note 10. Contingencies

FPSB may be subject to various claims and lawsuits may arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, change in net assets or cash flows of FPSB. Events could occur that would change this estimate materially in the near term. As of April 8, 2026, management has evaluated and is not aware of any material pending litigation.