RIGHTS AND RESOURCES INSTITUTE, INC.
DBA: RIGHTS AND RESOURCES GROUP

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

RIGHTS AND RESOURCES INSTITUTE, INC.
DBA: RIGHTS AND RESOURCES GROUP
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Rights and Resources Institute, Inc.
dba: Rights and Resources Group
Washington, DC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Rights and Resources Institute, Inc. and Affiliate dba: Rights and Resources Group (a nonprofit organization) which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, statements of 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 financial position of Rights and Resources Institute, Inc. dba: Rights and Resources Group as of December 31, 2025 and 2024, and change in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Rights and Resources Institute, Inc. dba: Rights and Resources Group 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 Rights and Resources Institute, Inc. dba: Rights and Resources Group's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' 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 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 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 Rights and Resources Institute, Inc. dba: Rights and Resources Group'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 Rights and Resources Institute, Inc. dba: Rights and Resources Group'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Columbia, Maryland
May 29, 2026

RIGHTS AND RESOURCES INSTITUTE, INC.
DBA: RIGHTS AND RESOURCES GROUP
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 12,396,465	$ 18,734,866
Restricted Cash	10,467,856	12,094,256
Investments	94,882,664	13,330,918
Accounts Receivable	511,719	156,888
Contributions Receivable, Current Portion	2,332,403	2,776,155
Advances to Local Partners	556,994	996,561
Prepaid Expenses	43,541	46,895
Total Current Assets	121,191,642	48,136,539
CONTRIBUTIONS RECEIVABLE, NET OF CURRENT PORTION AND DISCOUNT	1,330,850	621,186
RIGHT-OF-USE ASSET - OPERATING LEASE	519,972	673,358
PROPERTY AND EQUIPMENT, NET	45,298	71,431
DEPOSITS	58,206	39,254
Total Assets	$ 123,145,968	$ 49,541,768
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 2,755,631	$ 1,459,479
Lease Liability - Operating Lease, Current Portion	173,728	161,884
Deferred Revenue	7,258,955	11,433,290
Total Current Liabilities	10,188,314	13,054,653
LEASE LIABILITY - OPERATING LEASE, NET OF CURRENT PORTION	402,796	576,524
Total Liabilities	10,591,110	13,631,177
NET ASSETS		
Without Donor Restrictions:		
Board-Designated	1,849,793	1,624,261
Undesignated	60,200,367	17,508,104
Total Without Donor Restrictions	62,050,160	19,132,365
With Donor Restrictions	50,504,698	16,778,226
Total Net Assets	112,554,858	35,910,591
Total Liabilities and Net Assets	$ 123,145,968	$ 49,541,768

See accompanying Notes to Consolidated Financial Statements.

RIGHTS AND RESOURCES INSTITUTE, INC.
DBA: RIGHTS AND RESOURCES GROUP
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE						
Grants and Contracts:						
Government of the Federal Republic of Germany	$ 4,828,578	$ -	$ 4,828,578	$ 2,049,493	$ -	$ 2,049,493
German Development Cooperation	26,789	-	26,789	96,901	-	96,901
Swedish International Development Cooperation Agency	1,213,359	-	1,213,359	669,172	-	669,172
Contributions	45,557,509	48,736,704	94,294,213	-	3,280,785	3,280,785
Interest	716,583	-	716,583	645,393	-	645,393
Other Revenue	20,170	-	20,170	8,266	-	8,266
Gain (Loss) on Foreign Currency Transactions	(87)	-	(87)	19,711	-	19,711
Net Assets Released from Restrictions	15,010,232	(15,010,232)	-	13,447,651	(13,447,651)	-
Total Revenue	67,373,133	33,726,472	101,099,605	16,936,587	(10,166,866)	6,769,721
EXPENSES						
Programs	22,442,259	-	22,442,259	18,291,567	-	18,291,567
Management and General	2,063,490	-	2,063,490	1,501,956	-	1,501,956
Fundraising	585,343	-	585,343	58,851	-	58,851
Total Expenses	25,091,092	-	25,091,092	19,852,374	-	19,852,374
CHANGE IN NET ASSETS FROM OPERATIONS	42,282,041	33,726,472	76,008,513	(2,915,787)	(10,166,866)	(13,082,653)
NONOPERATING ACTIVITIES						
Gain on Investments, Net of Fees	635,754	-	635,754	385,069	-	385,069
CHANGE IN NET ASSETS	42,917,795	33,726,472	76,644,267	(2,530,718)	(10,166,866)	(12,697,584)
Net Assets - Beginning of Year	19,132,365	16,778,226	35,910,591	21,663,083	26,945,092	48,608,175
NET ASSETS - END OF YEAR	$ 62,050,160	$ 50,504,698	$ 112,554,858	$ 19,132,365	$ 16,778,226	$ 35,910,591

See accompanying Notes to Consolidated Financial Statements.

RIGHTS AND RESOURCES INSTITUTE, INC.
DBA: RIGHTS AND RESOURCES GROUP
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Coalition and Communications Programs	Regional Programs	CLARIFI	Strategic Analysis Global Engagement	Total Programs	Management and General	Fundraising	Total Expenses
Salaries and Related Expenses	$ 860,656	$ 1,125,068	$ 663,885	$ 1,221,430	$ 3,871,039	$ 1,005,231	$ 531,011	$ 5,407,281
Grants	-	1,367,749	11,889,027	555,608	13,812,384	-	-	13,812,384
Consultants	131,703	505,023	597,966	462,636	1,697,328	397,149	18,960	2,113,437
Conferences	417,782	311,348	300,883	115,065	1,145,078	1,363	-	1,146,441
Participant Travel	215,398	251,025	238,038	65,040	769,501	-	123	769,624
Staff Travel	78,135	173,597	115,060	154,100	520,892	13,420	32,839	567,151
Occupancy Expenses	-	-	52	-	52	187,328	-	187,380
Publications and Other Media	299,256	6,720	31,746	71,807	409,529	840	-	410,369
Miscellaneous	166,437	1,402	7,025	18,314	193,178	305,265	427	498,870
Office Expenses	17,033	2,552	2,916	777	23,278	126,761	1,983	152,022
Depreciation and Amortization	-	-	-	-	-	26,133	-	26,133
Total Expenses by Function	$ 2,186,400	$ 3,744,484	$ 13,846,598	$ 2,664,777	$ 22,442,259	$ 2,063,490	$ 585,343	$ 25,091,092

See accompanying Notes to Consolidated Financial Statements.

RIGHTS AND RESOURCES INSTITUTE, INC.
DBA: RIGHTS AND RESOURCES GROUP
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Coalition and Communications Programs	Regional Programs	CLARIFI	Strategic Analysis Global Engagement	Total Programs	Management and General	Fundraising	Total Expenses
Salaries and Related Expenses	$ 1,084,281	$ 962,381	$ 414,396	$ 1,322,839	$ 3,783,897	$ 862,754	$ 52,507	$ 4,699,158
Grants	12,397	1,727,702	8,346,961	681,041	10,768,101	-	-	10,768,101
Consultants	194,005	567,687	431,264	397,029	1,589,985	244,088	-	1,834,073
Conferences	209,837	114,600	34,135	207,016	565,588	56,305	-	621,893
Participant Travel	150,644	254,902	59,581	137,631	602,758	-	-	602,758
Staff Travel	55,234	142,995	68,716	134,314	401,259	64,523	5,682	471,464
Occupancy Expenses	19,033	35,575	88,523	27,326	170,457	13,997	548	185,002
Publications and Other Media	294,989	918	36,610	15,782	348,299	243	-	348,542
Miscellaneous	2,912	150	514	1,315	4,891	129,004	-	133,895
Office Expenses	15,156	3,225	255	2,334	20,970	128,138	-	149,108
Depreciation and Amortization	3,949	7,380	18,364	5,669	35,362	2,904	114	38,380
Total Expenses by Function	$ 2,042,437	$ 3,817,515	$ 9,499,319	$ 2,932,296	$ 18,291,567	$ 1,501,956	$ 58,851	$ 19,852,374

See accompanying Notes to Consolidated Financial Statements.

RIGHTS AND RESOURCES INSTITUTE, INC.
DBA: RIGHTS AND RESOURCES GROUP
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 76,644,267	$ (12,697,584)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	26,133	38,380
Amortization of Discount on Contributions Receivable	139,273	104,651
Noncash Lease Expense - Operating Lease	153,386	146,766
Gains on Investments (Net of Fees)	(635,754)	(385,069)
(Increase) Decrease in Assets:		
Accounts Receivable	(354,831)	267,511
Contributions Receivable	(405,185)	10,435,164
Advances to Local Partners	439,567	797,143
Prepaid Expenses	3,354	2,991
Deposits	(18,952)	(3,214)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	1,296,152	(496,051)
Lease Liability - Operating Lease	(161,884)	(150,644)
Deferred Revenue	(4,174,335)	5,778,738
Net Cash Provided by Operating Activities	72,951,191	3,838,782
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	-	(8,591)
Purchases of Investments	(246,232,397)	(31,979,776)
Proceed on Sale of Investments	165,316,405	34,717,000
Net Cash Provided (Used) by Investing Activities	(80,915,992)	2,728,633
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(7,964,801)	6,567,415
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	30,829,122	24,261,707
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 22,864,321	$ 30,829,122

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 ORGANIZATION

Rights and Resources Institute, Inc. dba: Rights and Resources Group (RRG) is a nonprofit organization incorporated on October 26, 2005, under the laws of the District of Columbia. RRG coordinates the Rights and Resources Initiative, a global coalition dedicated to advancing forest tenure, policy, and market reforms. The goals of the initiative are to reduce rural poverty, strengthen forest governance, conserve, and restore forest ecosystems, and achieve sustainable, forest-based economic growth. RRG also conducts strategic global analyses and collaborates with local partners to advance domestic reform, strengthen community networks, and convene global and regional dialogues.

On September 6, 2018, Rights and Resources Coalition Institute (RRCI) was incorporated under the Canada Not-for-Profit Corporations Act. Its purpose is to create reform and educate Indigenous Peoples, local communities, and rural women of their rights to participate in the political process that regulates land use and to establish and secure local ownership of forest and land.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Rights and Resources Institute, Inc. and its affiliate, Rights and Resources Coalition Institute, which is collectively referred to herein as the “Organization” or “RRG”. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting

RRG maintains its records using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

RRG considers all highly liquid investments and debt instruments whose original maturity is 90 days or less to be cash equivalents, except for amounts included in RRG’s investment portfolio, which are categorized as investments in the consolidated statements of financial position.

RRG maintains balances which may exceed federally insured limits. Management does not believe that this results in any significant credit risk.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Doubtful Accounts

Receivables consist primarily of amounts due from grants and contracts and are expected to be collected during the next year. The face amount of accounts receivable is reduced by an allowance for doubtful accounts. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portions thereof that are deemed to be uncollectible or that require an excessive collection cost are written off to the allowance for doubtful accounts. Management did not deem an allowance necessary as of December 31, 2025 and 2024.

Contributions Receivable

Contributions receivable consist of unconditional promises to give that are expected to be collected in future years. Contributions receivable are reported as net assets with donor restrictions unless explicit donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities of the current period. Contributions receivable are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted rates applicable in the years in which those promises are received. Amortization of the discounts is included in Contributions in the accompanying consolidated statements of activities and changes in net assets. Contributions receivable are reviewed for collectability and a provision for doubtful pledges receivable is recorded based on management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors. Management deems balances included in contributions receivable to be fully collectable and has determined that no allowance for doubtful accounts is required as of December 31, 2025 and 2024.

Property and Equipment

We record property and equipment additions over $1,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities and changes in net assets. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

RRG leases office space. It determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating ROU lease liabilities on the consolidated statements of financial position. Finance leases are included in financing lease ROU assets and financing ROU lease liabilities on the consolidated statements of financial position.

ROU assets represent RRG’s right to use an underlying asset for the lease term and lease liabilities represent RRG’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, RRG uses market risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that RRG will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. RRG has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated statements of financial position.

RRG has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Advances to Local Partners

Advance payments are made to local partner collaborators for projects. Expenses are recognized when project costs are incurred and approved by RRG.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a reserve fund to cover three months of operating expenses.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no net assets with perpetual donor-imposed restrictions as of December 31, 2025 and 2024.

Revenue and Revenue Recognition

Contributions, grants, and contracts are recognized as without donor restrictions or with donor restrictions support depending on existence and/or nature of donor restrictions and recorded when there is sufficient evidence in the form of verifiable documentation that an unconditional promise to give was received. RRG reports amounts restricted by donors, that were initially conditional, as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) simultaneous to conditions being met. All other donor-restricted contributions, grants, and contracts are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as Net Assets Released from Restrictions.

RRG has been awarded grants from various foreign governments in their local currencies. Currency fluctuations are recorded as gains and losses on the consolidated statements of activities and changes in net assets. Changes in exchange rates after the consolidated statements of financial position date could have an effect on the balance of accounts receivable. Management has deemed that it is impracticable to determine and disclose the effects.

Functional Allocation of Expenditures

The costs of providing various programs and other activities of RRG have been summarized on a functional basis in the accompanying consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among program services and supporting services benefited. The expenses that are allocated include depreciation and amortization, and occupancy, which are allocated proportionally based on direct expenses. Costs that can be identified with particular programs or support functions are charged directly to the program or function including salaries and related expenses which are charged based on time and effort.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

RRG is exempt from federal income tax pursuant to Internal Revenue Code Section 501(c)(3) and is classified as an organization that is not a private foundation. There was no unrelated business income or related tax for the years ended December 31, 2025 and 2024.

RRCI is exempt from income taxes on its exempt activities under the provisions of the Canadian Income Tax Act.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Reclassifications

Certain balances for the year ended December 31, 2024 have been reclassified to reflect comparative presentation with the fiscal year ended December 31, 2025.

Subsequent Events

Management has evaluated subsequent events for disclosure in these consolidated financial statements through May 29, 2026, which was the date the consolidated financial statements were available to be issued.

NOTE 3 RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	2025	2024
Cash and Cash Equivalents	$ 12,396,465	$ 18,734,866
Restricted Cash	10,467,856	12,094,256
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Consolidated Statements of Cash Flows	$ 22,864,321	$ 30,829,122

Amounts included in restricted cash represent those required to be set aside by a contractual agreement with a funder.

NOTE 4 LIQUIDITY AND AVAILABILITY OF RESOURCES

RRG's goal is generally to maintain financial assets to meet 90 days of operating expenses. There is a board-designated reserve available for operating purposes, which includes general expenditures, with approval from the board of directors. Some assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statements of financial position date.

Financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows:

	2025	2024
Cash, Cash Equivalents, and Restricted Cash	$ 22,864,321	$ 30,829,122
Accounts Receivable	511,719	156,888
Contributions Receivable	3,663,253	3,397,341
Total Financial Assets	27,039,293	34,383,351
Less: Cash Held in a Separate Account Per Grant Agreements	(10,467,856)	(12,094,256)
Less: Long-Term Contributions Receivable	(1,330,850)	(621,186)
Less: Restricted by Donor for Purpose	(1,195,132)	(14,376,288)
Less: Board-Designated Operating Reserve	(1,849,793)	(1,624,261)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 12,195,662	$ 5,667,360

NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments recorded at fair value consist of equity and fixed income securities. In accordance with U.S. GAAP, RRG uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets in active markets;

Level 2 – Includes inputs that are directly or indirectly observable in the markets that may not be considered active, such as yield curves or other market data;

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset.

Cash and cash equivalents are recorded at cost and are not required to be classified in one of the levels prescribed by the fair value hierarchy. However, they have been included with Level 1 assets in the table below.

NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the RRG's fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31:

	2025			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 578,774	$ -	$ -	$ 578,774
Mutual Funds	26,487,234	-	-	26,487,234
Government Securities	67,816,656	-	-	67,816,656
Total	$ 94,882,664	$ -	$ -	$ 94,882,664

	2024			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 797,151	$ -	$ -	$ 797,151
Mutual Funds	3,530,772	-	-	3,530,772
Government Securities	9,002,995	-	-	9,002,995
Total	$ 13,330,918	$ -	$ -	$ 13,330,918

NOTE 6 ACCOUNTS RECEIVABLE

Accounts receivable at December 31 consist of accounts due under grants from foreign governments and other contractual receivables as follows:

	2025	2024
Unbilled Receivable	$ 501,724	$ 144,726
Billed Receivables	9,995	12,162
Total	$ 511,719	$ 156,888

Unbilled receivables related to revenue recognized on grants from foreign governments for which billings have not been presented to the grantor.

NOTE 7 CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows at December 31:

	2025	2024
Contributions Receivable to be Collected in:		
Less: Than One Year	$ 2,302,526	$ 2,751,992
One Year to Five Years	1,500,000	750,000
Total Contributions Receivable	3,802,526	3,501,992
Less: Discount to Net Present Value at 6.8%	(139,273)	(104,651)
Total	$ 3,663,253	$ 3,397,341

NOTE 8 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2025	2024
Leasehold Improvements	$ 23,912	$ 23,912
Furniture and Fixtures	52,244	52,244
Computer Hardware and Software	274,867	292,713
Total Property and Equipment	351,023	368,869
Less: Accumulated Depreciation and Amortization	(305,725)	(297,438)
Net Property and Equipment	$ 45,298	$ 71,431

NOTE 9 DEFERRED REVENUE

As of December 31, deferred revenue represents cash received in advance for the following grants and contracts:

	2025	2024
Swedish International Development Cooperation Agency - Agreement on Core Support to Rights and Resources Initiative	$ 168,710	$ 1,358,972
Government of the Federal Republic of Germany	7,072,288	10,041,544
All Others	17,957	32,774
Total Deferred Revenue	$ 7,258,955	$ 11,433,290

NOTE 10 LEASES

During the year, RRG entered into a noncancellable lease agreement for 3,100 square feet of office space that will expire on January 31, 2029. Under the terms of this lease, the base rent is subject to annual increases. In addition, the lessor provided RRG with a one-month rent abatement as an incentive to enter into the lease agreement.

The following table provides quantitative information concerning the RRG's leases:

	2025	2024
Lease Costs:		
Operating Lease Costs	$ 180,927	$ 180,927
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	$ 189,425	$ 184,805
Weighted-Average Remaining Lease Term:		
Operating Leases	3.1 Years	4.1 Years
Weighted-Average Discount Rate:		
Operating Leases	4.24%	4.24%

NOTE 10 LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2025 is as follows:

Year Ending December 31,	Amount
2026	$ 194,161
2027	199,015
2028	203,990
2029	17,245
Thereafter	-
Total Lease Payments	614,411
Less: Interest	(37,887)
Present Value of Lease Liabilities	$ 576,524

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

RRG has net assets with donor restrictions at December 31 as follows:

	2025	2024
Community Land Rights and Conservation Finance Initiative	$ 45,157,932	$ -
Capacity Building	-	1,434,346
Other Programs	1,037,200	12,941,942
Time Restrictions	4,309,566	2,401,938
Total Net Assets With Donor Restrictions	$ 50,504,698	$ 16,778,226

NOTE 12 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes, or by occurrence of other events specified by the donor, are as follows for the years ended December 31:

	2025	2024
Providing Gender Justice and Women's Rights in Land and Forest Tenure Regimes	$ 135,520	$ 196,024
Capacity Building	-	600,579
Time Restrictions	2,524,780	1,800,000
Other Restrictions	12,349,932	10,851,048
Total Net Assets Released from Donor Restrictions	$ 15,010,232	$ 13,447,651

NOTE 13 CONDITIONAL CONTRIBUTIONS – REVENUE

A portion of RRG's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when RRG has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the consolidated statements of financial position. RRG received cost-reimbursable grants that have not been recognized as of December 31, 2025 and 2024, because qualifying expenditures have not yet been incurred and have been received as advance payments of $7,258,955 and $11,433,290, respectively, recognized in the consolidated statements of financial position as deferred revenue.

NOTE 14 CONCENTRATIONS

Revenue from grants and contracts during the years ended December 31, 2025 and 2024 from two and four funders, respectively, comprised 90% and 77% of total revenues, respectively. Billed and unbilled receivables at December 31, 2025 and 2024 from none and one funder, respectively, comprised 0% and 8%, respectively, of total accounts receivable.

There was no contribution revenue concentration in the years ended December 31, 2025 and 2024, respectively. Unconditional promises to give from four and three organizations, respectively, comprised 99% and 94% of contributions receivable at December 31, 2025 and 2024, respectively.

RRG maintains its cash in several United States commercial banks. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. As of December 31, 2025 deposits with financial institutions exceeded FDIC limit by $15,955,927.

RRG maintains its cash in several international commercial banks. Some of the balances on deposit are insured by the international regulatory agencies up to specified limits. Balances in excess of insured limits are uninsured. As of December 31, 2025 deposits with financial institutions exceeded insured limit by $6,527,982.

NOTE 15 EMPLOYEE RETIREMENT PLAN

RRG provides a tax-deferred annuity plan for employees based in the United States under Internal Revenue Code Section 401(k). Employees are eligible to defer a portion of their compensation immediately upon beginning employment, not to exceed statutory limits. Employees who are at least 18 years of age are eligible to receive a matching contribution of up to 3.5% of qualified earnings and an employer discretionary contribution. The employer match is calculated by matching 100% of the first 1% of compensation and 50% of the next 2-6% of compensation that an employee contributes. The percentage for discretionary contributions is determined annually at the discretion of RRG and was set at 4% for 2025. Employees are immediately vested in both the matching and discretionary contributions. RRG’s contributions were $220,173 and $187,623 for the years ended December 31, 2025 and 2024, respectively.

As of January 1, 2022, RRG offers a Voluntary Retirement Pension Plan (VRSP) for employees based in Canada. A VRSP is a retirement savings plan registered with the Canada Revenue Agency (CRA) and the Régie des rentes du Québec (RRQ), administered by a financial institution in Quebec. Eligible employees are defined as employees with one year of uninterrupted service with the organization and are at least 18 years of age. Eligible employees are automatically enrolled at one year of service at a default contribution rate of 4% and may opt out at any time. Employees also have the option to enroll during their first year of service. Participating employees receive a matching contribution from RRG of 100%, up to a maximum of 7.5% of gross salary. All VRSP contributions vest immediately, and total contributions are subject to Canadian Registered Retirement Savings Plan contribution limits as specified by the CRA. RRG’s contributions were $38,786 and $32,147 for the years ended December 31, 2025 and 2024, respectively.

NOTE 16 COMMITMENTS

Conditional Grants – Grant Expense

RRG provides cost – reimbursable grants to local partners, which are conditioned upon certain performance requirements, the incurrence of allowable expenses, and approval by RRG. As of December 31, 2025 and 2024, RRG had $1,193,000 and $4,620,300 in outstanding conditional grants to local partners, with advance payments of $556,994 and $996,561, respectively, recognized in the consolidated statements of financial position within current assets. Grant expenses will be recognized as the conditions are substantially met.