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

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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DBA: RIGHTS AND RESOURCES GROUP
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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Rights and Resources Institute, Inc. dba: Rights and Resources Group (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Rights and Resources Institute, Inc. dba: Rights and Resources Group, as of December 31, 2023 and 2022, and the results of their 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 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 these 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 for one year after the date the consolidated financial statements are available to be issued.

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

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

Greenbelt, Maryland
May 31, 2024

RIGHTS AND RESOURCES INSTITUTE, INC.
DBA: RIGHTS AND RESOURCES GROUP
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 24,261,707	$ 23,209,009
Investments	15,683,073	8,605,584
Accounts Receivable	423,043	199,702
Contributions Receivable, Current Portion	12,270,167	9,067,158
Advances to Local Partners	1,793,704	476,811
Prepaid Expenses	49,886	70,600
Total Current Assets	54,481,580	41,628,864
CONTRIBUTIONS RECEIVABLE, NET OF CURRENT PORTION AND DISCOUNT	1,666,989	12,732,516
RIGHT-OF-USE ASSET-OPERATING LEASE	820,124	855,976
PROPERTY AND EQUIPMENT, Net	101,220	192,898
DEPOSITS	36,040	36,940
Total Assets	$ 57,105,953	$ 55,447,194
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 1,955,387	$ 857,274
Lease Liability - Operating Lease, Current Portion	150,644	254,883
Deferred Revenue	5,654,552	1,980,944
Total Current Liabilities	7,760,583	3,093,101
LEASE LIABILITY - OPERATING LEASE, NET OF CURRENT PORTION	738,408	885,687
Total Liabilities	8,498,991	3,978,788
NET ASSETS		
Without Donor Restrictions:		
Board-Designated	1,616,500	1,607,304
Undesignated	20,045,370	19,243,494
Total Without Donor Restrictions	21,661,870	20,850,798
With Donor Restrictions	26,945,092	30,617,608
Total Net Assets	48,606,962	51,468,406
Total Liabilities and Net Assets	$ 57,105,953	$ 55,447,194

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, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE						
Grants and Contracts:						
Other Funders	$ 863,578	$ -	$ 863,578	$ 16,387,820	$ -	$ 16,387,820
Government of the Federal Republic of Germany	2,363,396	-	2,363,396	3,043,924	-	3,043,924
UK Foreign, Commonwealth & Development Office	-		-	428,956	-	428,956
German Development Cooperation	89,452	-	89,452	-	-	-
Swedish International Development Cooperation Agency	2,201,786	-	2,201,786	2,197,169	-	2,197,169
Contributions	-	6,135,240	6,135,240	-	8,045,246	8,045,246
Interest	894,925	-	894,925	166,954	-	166,954
Other Revenue	13,167	-	13,167	5,000	-	5,000
Gain on Foreign Currency Transactions	47,816	-	47,816	123,454	-	123,454
Net Assets Released from Restrictions	9,807,756	(9,807,756)	-	4,136,669	(4,136,669)	-
Total Revenue	16,281,876	(3,672,516)	12,609,360	26,489,946	3,908,577	30,398,523
EXPENSES						
Programs	14,617,098	-	14,617,098	8,036,671	-	8,036,671
Management and General	1,069,932	-	1,069,932	940,342	-	940,342
Fundraising	13,495	-	13,495	29,261	-	29,261
Total Expenses	15,700,525	-	15,700,525	9,006,274	-	9,006,274
CHANGE IN NET ASSETS FROM OPERATIONS	581,351	(3,672,516)	(3,091,165)	17,483,672	3,908,577	21,392,249
NONOPERATING ACTIVITIES						
Loss on Disposal of Property and Equipment	(118,483)	-	(118,483)	-	-	-
Gain on Termination of Operating Lease	253,993	-	253,993	-	-	-
Gain on Investments (Net of Fees)	94,211	-	94,211	-	-	-
Total Nonoperating Activities	229,721	-	229,721	-	-	-
CHANGE IN NET ASSETS	811,072	(3,672,516)	(2,861,444)	17,483,672	3,908,577	21,392,249
Net Assets - Beginning of Year	20,850,798	30,617,608	51,468,406	3,367,126	26,709,031	30,076,157
NET ASSETS - END OF YEAR	$ 21,661,870	$ 26,945,092	$ 48,606,962	$ 20,850,798	$ 30,617,608	$ 51,468,406

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, 2023

	Coalition and Communications Programs	Regional Programs	CLARIFI	Strategic Analysis Global Engagement	Total Programs	Management and General	Fundraising	Total Expenses
Salaries and Related Expenses	$ 1,167,936	$ 1,128,969	$ 183,584	$ 932,298	$ 3,412,787	$ 669,595	$ 10,330	$ 4,092,712
Grants	139,206	1,857,628	4,875,484	801,536	7,673,854	-	-	7,673,854
Consultants	255,389	665,177	144,201	273,308	1,338,075	124,018	1,860	1,463,953
Conferences	512,460	125,872	8,201	73,174	719,707	6,281	-	725,988
Participant Travel	275,602	125,499	2,490	107,821	511,412	4,603	-	516,015
Staff Travel	90,518	182,039	44,198	85,370	402,125	5,353	1,040	408,518
Occupancy Expenses	42,740	69,534	90,804	32,808	235,886	18,790	211	254,887
Publications and Other Media	199,642	21,309	883	16,628	238,462	778	-	239,240
Miscellaneous	1,071	704	468	2,458	4,701	129,579	-	134,280
Office Expenses	13,183	4,650	21	1,938	19,792	106,132	-	125,924
Depreciation and Amortization	10,925	17,774	23,211	8,387	60,297	4,803	54	65,154
Total Functional Expenses	$ 2,708,672	$ 4,199,155	$ 5,373,545	$ 2,335,726	$ 14,617,098	$ 1,069,932	$ 13,495	$ 15,700,525

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, 2022

	Coalition and Communications Programs	Regional Programs	CLARIFI	Strategic Analysis Global Engagement	Total Programs	Management and General	Fundraising	Total Expenses
Salaries and Related Expenses	$ 967,641	$ 804,543	$ 102,914	$ 871,665	$ 2,746,763	$ 690,285	$ 19,531	$ 3,456,579
Grants	38,607	1,125,623	658,343	990,569	2,813,142	-	-	2,813,142
Consultants	67,343	496,484	202,832	360,819	1,127,478	44,780	8,500	1,180,758
Staff Travel	86,628	148,075	30,159	82,272	347,134	5,488	-	352,622
Participant Travel	100,857	79,757	2,250	77,984	260,848	-	-	260,848
Conferences	96,764	23,744	45,482	55,867	221,857	10,355	-	232,212
Occupancy Expenses	38,088	72,677	28,679	65,865	205,309	11,861	760	217,930
Publications and Other Media	85,895	11,150	47,246	63,302	207,593	90	-	207,683
Office Expenses	13,781	5,749	479	1,697	21,706	94,020	100	115,826
Miscellaneous	5,764	3,652	1,409	670	11,495	79,224	99	90,818
Depreciation and Amortization	13,607	25,964	10,245	23,530	73,346	4,239	271	77,856
Total Functional Expenses	$ 1,514,975	$ 2,797,418	$ 1,130,038	$ 2,594,240	$ 8,036,671	$ 940,342	$ 29,261	$ 9,006,274

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, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (2,861,444)	$ 21,392,249
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	65,154	77,856
Loss on Disposal of Property and Equipment	118,483	-
Amortization of Discount on Contributions Receivable	93,273	218,279
Impact of Lease Standard Implementation	-	284,594
Gain on Termination of Operating Lease	(253,993)	-
Gains on Investments (Net of Fees)	(94,211)	-
(Increase) Decrease in Assets:		
Accounts Receivable	(223,341)	(166,950)
Contributions Receivable	7,769,245	673,252
Advances to Local Partners	(1,316,893)	(288,356)
Prepaid Expenses	20,714	(44,186)
Deposits	900	-
Right-of-Use Assets - Operating Lease	35,852	-
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	1,098,113	135,471
Contributions Payable	-	(5,000)
Lease Liability - Operating Lease	2,475	-
Deferred Rent	-	(310,011)
Deferred Revenue	3,673,608	(3,240,621)
Net Cash Provided by Operating Activities	8,127,935	18,726,577
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(91,959)	(33,118)
Purchases of Investments	(15,332,101)	(8,353,607)
Proceed on Sale of Investments	8,348,823	-
Net Cash Used by Investing Activities	(7,075,237)	(8,386,725)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	1,052,698	10,339,852
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	23,209,009	12,869,157
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 24,261,707	$ 23,209,009

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, 2023 and 2022.

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, 2023 and 2022.

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, 2023 and 2022.

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 its incremental borrowing 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, 2023 and 2022.

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 Restriction.

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 (IRC) 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, 2023 and 2022.

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 accounting principles generally accepted in the United States of America 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 fiscal year ended December 31, 2022 have been reclassified to reflect comparative presentation with the fiscal year ended December 31, 2023.

Recently Adopted New Accounting Standards

At the beginning of 2023, RRG adopted the Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* as amended, which modifies the measurement of expected credit losses. RRG adopted this new guidance using the modified retrospective transition method. The adoption of this ASU did not have a material impact on the RRG's financial statements and did not change how the allowance for credit losses is determined.

Subsequent Events

Management has evaluated subsequent events for disclosure in these consolidated financial statements through May 31, 2024, 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.

	2023	2022
Cash and Cash Equivalents	$ 18,927,339	$ 23,209,009
Restricted Cash	5,334,368	-
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statements of Cash Flows	$ 24,261,707	$ 23,209,009

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:

	2023	2022
Cash and Cash Equivalents	$ 24,261,707	$ 23,209,009
Accounts Receivable	423,043	199,702
Contributions Receivable	13,937,156	21,799,674
Total Financial Assets	38,621,906	45,208,385
Less: Cash Held in a Separate Account Per Grant Agreements	(5,334,368)	(3,960,574)
Less: Restricted by Donor for Purpose	(24,845,092)	(26,051,116)
Less: Board Designated Operating Reserve	(1,616,500)	(1,607,304)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 6,825,946	$ 13,589,391

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;

NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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:

	2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	7,258,152.00	$ -	$ -	7,258,152
Certificates of Deposit	-	1,042,871	-	1,042,871
Mutual Funds	2,152,412	-	-	2,152,412
Government Securities	5,229,638	-	-	5,229,638
Total	$ 14,640,202	$ -	$ -	$ 15,683,073

	2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 256,761	$ -	$ -	$ 256,761
Certificates of Deposit	-	8,348,823	-	8,348,823
Total	$ 256,761	$ 8,348,823	$ -	$ 8,605,584

NOTE 6 ACCOUNTS RECEIVABLE

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

	2023	2022
Unbilled Receivable	$ 391,447	$ 191,519
Billed Receivables	31,596	8,183
Total	$ 423,043	$ 199,702

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:

	2023	2022
Contributions Receivable to be Collected in:		
Less: Than One Year	$ 12,230,429	$ 9,067,158
One Year to Five Years	1,800,000	13,500,029
Total Contributions Receivable	14,030,429	22,567,187
Less: Discount to Net Present Value at 3.84-4.01%	(93,273)	(767,513)
Total	$ 13,937,156	$ 21,799,674

NOTE 8 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2023	2022
Leasehold Improvements	$ 23,912	$ 384,381
Furniture and Fixtures	52,244	187,654
Computer Hardware and Software	284,121	361,947
Total Property and Equipment	360,277	933,982
Less: Accumulated Depreciation and Amortization	(259,057)	(741,084)
Net Property and Equipment	$ 101,220	$ 192,898

NOTE 9 DEFERRED REVENUE

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

	2023	2022
Swedish International Development Cooperation Agency - Agreement on Core Support to Rights and Resources Initiative	$ 73,665	$ 312,006
Government of the Federal Republic of Germany	244,592	880,096
All Others	5,336,295	788,842
Total Deferred Revenue	$ 5,654,552	$ 1,980,944

NOTE 10 LEASES

RRG entered into a noncancellable lease agreement for 5,541 square feet of office space that will expire on February 28, 2027. Under the terms of this lease, the base rent is subject to annual increases. In addition, the lessor provided RRG with a 10-month rent abatement as an incentive to enter into the lease agreement. This lease was terminated early on August 1, 2023. The organization recognized a gain on the early termination in the amount of $253,993 presented in the nonoperating activities section of the consolidated statement of activities.

During the year, RRG entered into a new 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:

	2023
Lease Costs:	
Operating Lease Costs	$ 199,826
Other Information:	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	$ 216,007
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities:	$ 139,458
Weighted-Average Remaining Lease Term:	
Operating Leases	5.1 Years
Weighted-Average Discount Rate:	
Operating Leases	4.24%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023 is as follows:

Year Ending December 31,	Amount
2024	$ 184,805
2025	189,425
2026	194,161
2027	199,015
2028	203,990
Thereafter	17,246
Total Lease Payments	988,642
Less: Interest	(99,590)
Present Value of Lease Liabilities	$ 889,052

NOTE 11 NET ASSETS WITH DONOR RESTRICTION

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

	2023	2022
Providing Gender Justice and Women's Rights in Land and Forest Tenure Regimes	$ 131,751	$ 172,520
Capacity Building	2,034,925	2,253,994
Other Programs	22,678,416	23,624,602
Time Restrictions	2,100,000	4,566,492
Net Assets With Donor Restrictions	$ 26,945,092	$ 30,617,608

NOTE 12 NET ASSETS RELEASED FROM RESTRICTION

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:

	2023	2022
Providing Gender Justice and Women's Rights in Land and Forest Tenure Regimes	$ 250,769	$ 154,268
Capacity Building	219,069	511,006
Time Restrictions	1,700,000	1,700,000
Other Restrictions	7,637,918	1,771,395
Net Assets With Donor Restrictions Releases	$ 9,807,756	$ 4,136,669

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, 2023 and 2022, because qualifying expenditures have not yet been incurred and have been received as advance payments of $5,654,552 and $1,980,944, 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, 2023 and 2022 from three and one funders, respectively, comprised 48% and 50% of total revenues, respectively. Billed and unbilled receivables at December 31, 2023 and 2022 from two and zero funders, respectively, comprised 86% and 0%, respectively, of total accounts receivable.

There was no contribution revenue concentration in the years ended December 31, 2023 and 2022, respectively. Unconditional promises to give from one organization comprised 71% and 76% of contributions receivable at December 31, 2023 and 2022, respectively.

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 2023. Employees are immediately vested in both the matching and discretionary contributions. RRG's contributions were $182,512 and $154,277 for the years ended December 31, 2023 and 2022, 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 50%, up to a maximum of 3.5% of gross salary during the first year of service. After one year of service, the matching contribution is 100%, up to a maximum of 7% 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 $15,366 and $17,838 for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, RRG had $3,618,800 and $1,700,525 in outstanding conditional grants to local partners, with advance payments of $1,793,704 and $476,811, respectively, recognized in the consolidated statements of financial position within current assets. Grant expense will be recognized as the conditions are substantially met.

NOTE 17 SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2023, RRG received two gifts with certain donor restrictions in the amount of $1,043,250.

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