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

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

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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, 2022 and 2021, 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, 2022 and 2021, 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.

Change in Accounting Principle

As discussed in Note 9 to the consolidated financial statements, in 2022 Rights and Resources Group adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

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.

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.

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

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 1, 2023

RIGHTS AND RESOURCES INSTITUTE, INC.
DBA: RIGHTS AND RESOURCES GROUP
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 23,465,770	$ 12,869,157
Accounts Receivable	199,702	32,752
Contributions Receivable, Current Portion	9,067,158	5,890,439
Advances to Local Partners	476,811	188,455
Prepaid Expenses	70,600	26,414
Total Current Assets	33,280,041	19,007,217
CONTRIBUTIONS RECEIVABLE, NET OF CURRENT PORTION AND DISCOUNT	12,732,516	16,800,766
RIGHT-OF-USE ASSET-OPERATING LEASE	855,976	-
PROPERTY AND EQUIPMENT, Net	192,898	237,636
CERTIFICATES OF DEPOSITS	8,348,823	251,977
DEPOSITS	36,940	36,940
Total Assets	$ 55,447,194	$ 36,334,536
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 857,274	$ 721,803
Contributions Payable	-	5,000
Lease Liability - Operating Lease, Current Portion	254,883	-
Deferred Revenue	1,980,944	5,221,565
Total Current Liabilities	3,093,101	5,948,368
LEASE LIABILITY - OPERATING LEASE, NET OF CURRENT PORTION	885,687	-
DEFERRED RENT	-	310,011
Total Liabilities	3,978,788	6,258,379
NET ASSETS		
Without Donor Restrictions:		
Board-Designated	1,607,304	1,559,418
Undesignated	19,243,494	1,807,708
Total Without Donor Restrictions	20,850,798	3,367,126
With Donor Restrictions	30,617,608	26,709,031
Total Net Assets	51,468,406	30,076,157
Total Liabilities and Net Assets	$ 55,447,194	$ 36,334,536

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, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Grants and Contracts:						
Other Funders	$ 16,387,820	$ -	$ 16,387,820	$ -	$ -	$ -
Government of the Federal Republic of Germany	3,043,924	-	3,043,924	618,314	-	618,314
UK Foreign, Commonwealth & Development Office	428,956	-	428,956	349,671	-	349,671
Norwegian Agency for Development Cooperation	-	-	-	290,637	-	290,637
Swedish International Development Cooperation Agency	2,197,169	-	2,197,169	3,395,642	-	3,395,642
Contributions	-	8,045,246	8,045,246	2,210,892	26,776,122	28,987,014
Interest	166,954	-	166,954	516	-	516
Other Revenue	5,000	-	5,000	25,088	-	25,088
Gain on Foreign Currency Transactions	123,454	-	123,454	63,048	-	63,048
Net Assets Released from Restrictions	4,136,669	(4,136,669)	-	738,391	(738,391)	-
Total Revenue	26,489,946	3,908,577	30,398,523	7,692,199	26,037,731	33,729,930
EXPENSES						
Programs	7,758,016	-	7,758,016	5,957,949	-	5,957,949
Management and General	1,220,028	-	1,220,028	1,321,879	-	1,321,879
Fundraising	28,230	-	28,230	97,596	-	97,596
Total Expenses	9,006,274	-	9,006,274	7,377,424	-	7,377,424
CHANGE IN NET ASSETS	17,483,672	3,908,577	21,392,249	314,775	26,037,731	26,352,506
Net Assets - Beginning of Year	3,367,126	26,709,031	30,076,157	3,052,351	671,300	3,723,651
NET ASSETS - END OF YEAR	$ 20,850,798	$ 30,617,608	$ 51,468,406	$ 3,367,126	$ 26,709,031	$ 30,076,157

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	-	-	-	-	-	217,930	-	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	-	-	-	-	-	77,856	-	77,856
Total Functional Expenses	$ 1,463,280	$ 2,698,777	$ 1,091,114	$ 2,504,845	$ 7,758,016	$ 1,220,028	$ 28,230	$ 9,006,274

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, 2021

	Coalition and Communications Programs	Regional Programs	Strategic Analysis Global Engagement	Total Programs	Management and General	Fundraising	Total Expenses
Salaries and Related Expenses	$ 774,185	$ 651,777	$ 1,043,911	$ 2,469,873	$ 696,884	$ 92,898	$ 3,259,655
Grants	39,124	1,033,087	737,803	1,810,014	25,000	-	1,835,014
Consultants	80,340	483,600	448,813	1,012,753	204,453	120	1,217,326
Occupancy Expenses	35,085	75,725	77,831	188,641	22,072	3,086	213,799
Office Expenses	8,281	3,455	2,684	14,420	158,452	75	172,947
Publications and Other Media	107,502	14,680	47,733	169,915	399	-	170,314
Staff Travel	5,582	89,358	44,274	139,214	21,361	-	160,575
Miscellaneous	8,166	490	-	8,656	143,848	79	152,583
Depreciation and Amortization	15,216	32,841	33,754	81,811	9,572	1,338	92,721
Conferences	25,376	5,675	17,960	49,011	39,249	-	88,260
Participant Travel	9,264	969	3,408	13,641	589	-	14,230
Total Functional Expenses	$ 1,108,121	$ 2,391,657	$ 2,458,171	$ 5,957,949	$ 1,321,879	$ 97,596	$ 7,377,424

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, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 21,392,249	$ 26,352,506
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	77,856	92,721
Amortization of Discount on Contributions Receivable	218,279	549,234
Impact of Lease Standard Implementation	284,594	-
Increase (Decrease) in Assets:		
Accounts Receivable	(166,950)	(999)
Contributions Receivable	673,252	(22,665,439)
Certificates of Deposits	(8,096,846)	(251,977)
Advances to Local Partners	(288,356)	13,226
Prepaid Expenses	(44,186)	7,581
Deposits	-	965
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	135,471	227,450
Contributions Payable	(5,000)	-
Deferred Rent	(310,011)	(35,606)
Deferred Revenue	(3,240,621)	780,126
Net Cash Provided by Operating Activities	10,629,731	5,069,788
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(33,118)	(23,186)
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,596,613	5,046,602
Cash and Cash Equivalents - Beginning of Year	12,869,157	7,822,555
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 23,465,770	$ 12,869,157

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. RRG maintains balances which may exceed federally insured limits. Management does not believe that this results in any significant credit risk. Cash held in a separate account as required by grant agreements totaled $3,960,574 and $3,690,555 as of December 31, 2022 and 2021, respectively. Because requirements are quickly met during the normal course of operations, the cash balances are not segregated for purposes of financial statement presentation.

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, 2022 and 2021.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022 and 2021.

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, 2022 and 2021.

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 right-of-use (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 right of use 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2022 and 2021.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2022 and 2021.

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, 2021 have been reclassified to reflect comparative presentation with the fiscal year ended December 31, 2022.

Recently Adopted New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted New Accounting Standards (Continued)

RRG adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021, are made under prior lease guidance in FASB *Accounting Standards Codification* (ASC) 840.

RRG has elected to adopt the package of practical expedients available in the year of adoption. RRG elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, RRG recognized on January 1, 2022, operating ROU asset of $855,976 and operating ROU liability of $1,140.570. Additional detail regarding leases is provided in Note 9 – Leases.

The standard had a material impact on the consolidated statements of financial position and consolidated statements of cash flows, but did not have an impact on the consolidated statements of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Subsequent Events

Management has evaluated subsequent events for disclosure in these consolidated financial statements through May 1, 2023, which was the date the consolidated financial statements were available to be issued.

NOTE 3 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 statement of financial position date.

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

	2022	2021
Cash and Cash Equivalents	$ 23,465,770	$ 12,869,157
Certificates of Deposits	8,348,823	251,977
Accounts Receivable	199,702	32,752
Contributions Receivable	21,799,674	22,691,205
Total Financial Assets	53,813,969	35,845,091
Less: Cash Held in a Separate Account Per Grant Agreements	(3,960,574)	(3,690,555)
Less: Restricted by Donor for Purpose	(26,051,116)	(26,709,031)
Less: Board Designated Operating Reserve	(1,607,304)	(1,559,418)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 22,194,975	$ 3,886,087

NOTE 4 ACCOUNTS RECEIVABLE

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

	2022	2021
Unbilled Receivable	$ 191,519	$ 10,288
Billed Receivables	8,183	22,464
Total	$ 199,702	$ 32,752

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

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows at December 31:

	2022	2021
Contributions Receivable to be Collected in:		
Less: Than One Year	$ 9,067,158	$ 5,890,439
One Year to Five Years	13,500,029	17,350,000
Total Contributions Receivable	22,567,187	23,240,439
Less: Discount to Net Present Value at 1.26-4.01%	(767,513)	(549,234)
Total	$ 21,799,674	$ 22,691,205

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2022	2021
Leasehold Improvements	$ 384,381	$ 384,381
Furniture and Fixtures	187,654	176,733
Computer Hardware and Software	361,947	339,750
Total Property and Equipment	933,982	900,864
Less: Accumulated Depreciation and Amortization	(741,084)	(663,228)
Net Property and Equipment	$ 192,898	$ 237,636

Depreciation and amortization expense was $77,856 and $92,721 for the years ended December 31, 2022 and 2021, respectively.

NOTE 7 LINE OF CREDIT

RRG had access to a $100,000 revolving line of credit. The purpose of the line was to provide short-term funding when operating funds are found to be insufficient. The line of credit bore a fluctuating interest rate at prime plus 3.50%. The line expired October 9, 2021, and was not automatically renewed. The balance of the line of credit was $-0- at December 31, 2021.

NOTE 8 DEFERRED REVENUE

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

Description	2022	2021
Swedish International Development Cooperation Agency - Agreement on Core Support to Rights and Resources Initiative	$ 312,006	$ 1,390,289
Government of the Federal Republic of Germany	880,096	2,781,575
All Others	788,842	1,049,701
Total Deferred Revenue	$ 1,980,944	$ 5,221,565

NOTE 9 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.

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

	2022
Lease Costs	
Operating Lease Costs	$ 213,325
Total Lease Costs	$ 213,325
Other Information	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	$ 238,741
Weighted-Average Remaining Lease Term:	
Operating Leases	4.1 Years
Weighted-Average Discount Rate:	
Operating Leases	1.37%

NOTE 9 LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2022, is as follows:

Year Ending December 31,	Amount
2023	$ 268,620
2024	276,678
2025	284,978
2026	293,528
2027	49,644
Total Lease Payments	1,173,448
Less: Interest	(32,878)
Present Value of Lease Liabilities	$ 1,140,570

NOTE 10 NET ASSETS WITH DONOR RESTRICTION

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

	2022	2021
Providing Gender Justice and Women's Rights in Land and Forest Tenure Regimes	$ 172,520	$ 106,788
Capacity Building	2,253,994	-
Other Programs	23,624,602	26,602,243
Time Restrictions	4,566,492	-
Net Assets With Donor Restrictions	$ 30,617,608	$ 26,709,031

NOTE 11 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:

	2022	2021
Providing Gender Justice and Women's Rights in Land and Forest Tenure Regimes	$ 154,268	$ 113,212
Capacity Building	511,006	237,478
Time Restrictions	1,700,000	-
Other Restrictions	1,771,395	387,701
Net Assets With Donor Restrictions Releases	$ 4,136,669	$ 738,391

NOTE 12 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, 2022 and 2021, because qualifying expenditures have not yet been incurred and have been received as advance payments of $2,104,531 and $5,221,565, respectively, recognized in the consolidated statements of financial position as deferred revenue.

NOTE 13 CONCENTRATIONS

Revenue from grants and contracts during the years ended December 31, 2022 and 2021 from one and two funders, respectively, comprised 50% and 98% of total revenues, respectively. Billed and unbilled receivables at December 31, 2022 and 2021 from zero and one funder, respectively, comprised 0% and 31%, respectively, of total accounts receivable.

Contributions from zero and one organization, respectively, comprised 0% and 86% of total contribution revenue during the years ended December 31, 2022 and 2021, respectively. Unconditional promises to give from one organization comprised 76% and 95% of contributions receivable at December 31, 2022 and 2021, respectively.

NOTE 14 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 2022. Employees are immediately vested in the matching contribution and become vested in the employer discretionary contributions upon completion of 1,000 hours of service within a 12-month period. RRG's contributions were $154,277 and $133,608 for the years ended December 31, 2022 and 2021, respectively.

NOTE 14 EMPLOYEE RETIREMENT PLAN (CONTINUED)

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 $17,838 for the year ended December 31, 2022.

NOTE 15 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, 2022 and 2021, RRG had $1,700,525 and $466,898 in outstanding conditional grants to local partners, with advance payments of $476,811 and $188,455, respectively, recognized in the consolidated statements of financial position within current assets. Grant expense will be recognized as the conditions are substantially met.

On June 29, 2021, the Small Business Administration authorized full forgiveness of the Paycheck Protection Program Loan amount. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the RRG's financial position.

NOTE 16 SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2022, RRG received a one-time gift without donor restrictions in the amount of $2,000,000.