

Consolidated Financial Statements

**Natural Resource Governance Institute
and Subsidiaries**

**For the Years Ended
December 31, 2025 and 2024**

Natural Resource Governance Institute and Subsidiaries

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Natural Resource Governance Institute and Subsidiaries
New York, New York

Opinion

We have audited the accompanying consolidated financial statements of Natural Resource Governance Institute and Subsidiaries (together, "NRGI"), 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, 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 consolidated financial position of NRGI as of December 31, 2025 and 2024, and the consolidated changes in its 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of NRGI 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.

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, as listed below, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements:

1. Consolidating Statement of Financial Position
2. Consolidating Statement of Activities and Change in Net Assets Classification

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

September 10, 2026

Natural Resource Governance Institute and Subsidiaries

Consolidated Statements of Financial Position
As of December 31, 2025 and 2024

ASSETS

	2025	2024
Cash and cash equivalents	\$ 4,208,594	\$ 4,534,030
Grants and contributions receivable, net	2,186,049	3,094,001
Other receivables	2,025	22,343
Prepaid expenses	441,586	804,710
Fixed assets, net	171,498	242,344
Operating lease right-of-use assets, net	451,113	468,515
Other assets	401,064	361,468
Total Assets	\$ 7,861,929	\$ 9,527,411

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 667,037	\$ 625,336
Grants payable	64,620	4,012
Refundable advances	2,756,628	4,116,913
Operating lease liabilities, net	493,823	513,429
Total liabilities	3,982,108	5,259,690

NET ASSETS

Without donor restrictions	3,804,550	3,884,847
With donor restrictions	75,271	382,874
Total net assets	3,879,821	4,267,721
Total Liabilities and Net Assets	\$ 7,861,929	\$ 9,527,411

See accompanying notes to consolidated financial statements.

Natural Resource Governance Institute and Subsidiaries

**Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and contributions:			
Non-governmental organizations and foundations	\$ -	\$ 7,406,950	\$ 7,406,950
U.S. Government assistance	905,824	-	905,824
Foreign governmental development agencies	-	3,446,817	3,446,817
International organizations	-	2,366,677	2,366,677
Contributed nonfinancial assets	19,512	-	19,512
Other	4,223	-	4,223
Net assets released from donor restrictions	13,528,047	(13,528,047)	-
Total support and revenue	14,457,606	(307,603)	14,150,003
EXPENSES			
Program Services	11,089,591	-	11,089,591
Supporting Services:			
Management and General	3,238,213	-	3,238,213
Fundraising	216,166	-	216,166
Total supporting services	3,454,379	-	3,454,379
Total expenses	14,543,970	-	14,543,970
Changes in net assets before other item	(86,364)	(307,603)	(393,967)
OTHER ITEM			
Foreign currency translation adjustment	6,067	-	6,067
Total other item	6,067	-	6,067
Changes in net assets	(80,297)	(307,603)	(387,900)
Net assets at beginning of year	3,884,847	382,874	4,267,721
Net Assets at End of Year	\$ 3,804,550	\$ 75,271	\$ 3,879,821

See accompanying notes to consolidated financial statements.

Natural Resource Governance Institute and Subsidiaries

**Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and contributions:			
Non-governmental organizations and foundations	\$ 19,596	\$ 7,316,743	\$ 7,336,339
U.S. Government assistance	3,495,391	-	3,495,391
Foreign governmental development agencies	-	2,573,621	2,573,621
International organizations	-	158,620	158,620
Contributed nonfinancial assets	31,582	-	31,582
Other	10,772	-	10,772
Net assets released from donor restrictions	11,070,795	(11,070,795)	-
Total support and revenue	14,628,136	(1,021,811)	13,606,325
EXPENSES			
Program Services	10,740,085	-	10,740,085
Supporting Services:			
Management and General	3,523,725	-	3,523,725
Fundraising	297,852	-	297,852
Total supporting services	3,821,577	-	3,821,577
Total expenses	14,561,662	-	14,561,662
Changes in net assets before other item	66,474	(1,021,811)	(955,337)
OTHER ITEM			
Foreign currency translation adjustment	(166,747)	-	(166,747)
Total other item	(166,747)	-	(166,747)
Changes in net assets	(100,273)	(1,021,811)	(1,122,084)
Net assets at beginning of year	3,985,120	1,404,685	5,389,805
Net Assets at End of Year	\$ 3,884,847	\$ 382,874	\$ 4,267,721

See accompanying notes to consolidated financial statements.

Natural Resource Governance Institute and Subsidiaries

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services	Supporting Services		Total Supporting Services	Total Expenses
		Management and General	Fundraising		
Salaries and related benefits	\$ 6,167,751	\$ 1,725,364	\$ 179,402	\$ 1,904,766	\$ 8,072,517
Grants to other organizations	1,621,774	-	-	-	1,621,774
Consultant fees and related expenses	1,520,018	444,253	-	444,253	1,964,271
Travel, meals and lodging	515,823	53,487	2,549	56,036	571,859
Conference and meetings	661,922	4,263	12	4,275	666,197
Office expenses	87,082	192,301	-	192,301	279,383
Software support	53,835	13,268	-	13,268	67,103
Printing and publications	39,142	4,194	-	4,194	43,336
Postage, shipping and delivery	530	1,481	-	1,481	2,011
Occupancy	237,959	350,280	32,843	383,123	621,082
Maintenance	9,676	41,897	-	41,897	51,573
Subscriptions and memberships	6,452	26,724	1,360	28,084	34,536
Legal and accounting	94,884	208,981	-	208,981	303,865
Insurance	-	82,571	-	82,571	82,571
Recruiting	-	1,389	-	1,389	1,389
Other	72,743	4,780	-	4,780	77,523
Total expenses before depreciation and amortization	11,089,591	3,155,233	216,166	3,371,399	14,460,990
Depreciation and amortization	-	82,980	-	82,980	82,980
Total	\$ 11,089,591	\$ 3,238,213	\$ 216,166	\$ 3,454,379	\$ 14,543,970

See accompanying notes to consolidated financial statements.

Natural Resource Governance Institute and Subsidiaries

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services	Supporting Services		Total Supporting Services	Total Expenses
		Management and General	Fundraising		
Salaries and related benefits	\$ 5,825,643	\$ 1,626,343	\$ 244,833	\$ 1,871,176	\$ 7,696,819
Grants to other organizations	2,306,691	-	-	-	2,306,691
Consultant fees and related expenses	1,097,875	580,252	203	580,455	1,678,330
Travel, meals and lodging	442,085	75,110	4,717	79,827	521,912
Conference and meetings	693,706	382	-	382	694,088
Office expenses	83,938	194,222	1,558	195,780	279,718
Software support	36,974	10,250	-	10,250	47,224
Printing and publications	23,414	3,782	-	3,782	27,196
Postage, shipping and delivery	1,434	1,281	-	1,281	2,715
Occupancy	129,978	422,488	45,542	468,030	598,008
Maintenance	6,961	36,824	-	36,824	43,785
Subscriptions and memberships	7,245	14,341	999	15,340	22,585
Legal and accounting	33,512	283,714	-	283,714	317,226
Insurance	-	89,950	-	89,950	89,950
Recruiting	-	1,873	-	1,873	1,873
Other	50,629	95,041	-	95,041	145,670
Total expenses before depreciation and amortization	10,740,085	3,435,853	297,852	3,733,705	14,473,790
Depreciation and amortization	-	87,872	-	87,872	87,872
Total	\$ 10,740,085	\$ 3,523,725	\$ 297,852	\$ 3,821,577	\$ 14,561,662

See accompanying notes to consolidated financial statements.

Natural Resource Governance Institute and Subsidiaries

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

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (387,900)	\$ (1,122,084)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation and amortization	82,980	87,872
Change in discount on non-current receivables	-	(10,835)
Amortization of operating lease right-of-use assets	335,738	345,272
Decrease (increase) in:		
Grants and contributions receivable	907,952	268,484
Other receivables	20,318	7,096
Prepaid expenses	363,124	(372,310)
Other assets	(39,596)	(7,226)
Increase (decrease) in:		
Accounts payable and accrued liabilities	41,701	(70,695)
Grants payable	60,608	(29,751)
Refundable advances	(1,360,285)	1,101,258
Operating lease liabilities	(337,942)	(374,993)
Net cash used by operating activities	<u>(313,302)</u>	<u>(177,912)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(12,134)	-
Net cash used by investing activities	<u>(12,134)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(325,436)	(177,912)
Cash and cash equivalents at beginning of year	4,534,030	4,711,942
Cash and Cash Equivalents at End of Year	<u><u>\$ 4,208,594</u></u>	<u><u>\$ 4,534,030</u></u>
SUPPLEMENTAL INFORMATION		
Right-of-Use Asset	<u><u>\$ 318,336</u></u>	<u><u>\$ -</u></u>
Operating Lease Liability for Right-of-Use Asset	<u><u>\$ 318,336</u></u>	<u><u>\$ -</u></u>

See accompanying notes to consolidated financial statements.

Natural Resource Governance Institute and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

1. Summary of Significant Accounting Policies

Organization

Natural Resource Governance Institute ("NRGI") was formed as a District of Columbia non-profit corporation on March 2, 2006.

NRGI engages in activities directed to the promotion of sustainable development, good governance and poverty reduction in natural resource-dependent countries through improvement of public finance transparency and accountability. Specifically NRGI shall support efforts to increase the transparency, accountability and effectiveness of resource revenue management and public expenditures by conducting research; publishing reports; and building a body of literature on best practices; providing information, training and funding to organizations that monitor or seek to monitor Government revenues and individuals and expenditures; and facilitating technical assistance to journalists, non-governmental organizations (NGO's), policy-makers and Government officials.

Consistent with its mission, NRGI applies similar standards of transparency to its internal operations. NRGI is committed to maintaining best practices in financial reporting. Additional information regarding governance and internal controls is available in its IRS Form 990.

NRGI receives general operating and project-based support from a diverse group of foundations, U.S. and foreign Government development agencies and international organizations, three of whom have been consistent supporters since NRGI's founding in 2006.

Natural Resource Governance Institute - Europe ASBL ("NRGI EU"), Association Institut de la Gouvernance des Ressources Naturelles – Filiale Tunisie ("NRGI TUN") and Natural Resource Charter Limited ("NRGI UK") were formed such that NRGI is the sole member of each entity. NRGI EU was established in Belgium as a registered subsidiary in Europe. NRGI TUN is a locally registered company that was established to further NRGI's mission in each country. NRGI UK is registered as a charity in the United Kingdom, formed as a policy institute to produce evidence-based approaches to apply in real-world contexts around the globe.

Principles of Consolidation

The accounts of NRGI, NRGI EU, NRGI TUN and NRGI UK (together, "NRGI") have been consolidated in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that financially interrelated organizations be consolidated. All intercompany transactions and balances have been eliminated.

Basis of Presentation

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with U.S. GAAP related to non-profit entities.

Natural Resource Governance Institute and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and Cash Equivalents

NRGI considers all highly liquid investments with maturities of three months or less, excluding money market funds included as part of the investment portfolio, to be cash and cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, NRGI maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

NRGI had \$173,182 and \$75,259 of cash and cash equivalents held at financial institutions in foreign countries as of December 31, 2025 and 2024, respectively. The majority of cash and cash equivalents held in foreign countries are uninsured.

Grants and Contributions Receivable

Grants and contributions receivable include unconditional promises to give that are expected to be collected within one year. Grants and contributions receivable are recorded at net realizable value which approximates fair value. Each receivable balance is assessed based on management's knowledge of and relationship with the donor and the age of the receivable balance. As a result of these reviews, receivable balances for which collection is deemed doubtful are charged to loss on uncollectable grants and contributions and an allowance is recorded. However, management believes grants and contributions receivable are fully collectable. Therefore, an allowance for uncollectable grants and contributions receivable has not been established.

Notes to Consolidated Financial Statements
December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

Fixed Assets

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are depreciated or amortized on a straight-line basis over the estimated useful lives of the related assets, generally 3 to 15 years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

Impairment of Long-Lived Assets

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is adjusted to fair value by recording a loss on impairment on the Consolidated Statements of Activities and Changes in Net Assets.

Income Taxes

NRGI is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). NRGI has no unrelated business income activities. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. NRGI is not a private foundation.

NRGI's subsidiaries are subject to the taxing requirements in their host countries. As of December 31, 2025 and 2024, there were no taxes due for activities in those jurisdictions.

Support from Grants and Contributions

The majority of NRGI's support is received through awards from U.S. and foreign Governments, international organizations, foundations and other entities. Grants and contributions are recognized in the appropriate category of net assets in the period received. NRGI performs an analysis of the individual award to determine if the funding streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal in accordance with Topic 958.

For awards qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Awards qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Natural Resource Governance Institute and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

Support from Grants and Contributions (Continued)

Awards qualifying as conditional contributions contain a right of return or right of release from obligation provision and a defined barrier (or barriers), and NRGI has limited discretion over how funds transferred should be spent.

Accordingly, support is recognized when the condition or conditions are satisfied (when the related barrier has been overcome; generally, when qualifying expenditures are incurred); these transactions are nonreciprocal and classified as conditional, and are recognized as contributions when the support becomes unconditional.

As of December 31, 2025 and 2024, NRGI had \$2,756,628 and \$4,116,913, respectively, of funds received (under conditional assistance awards) that have not been recognized as support and have been presented as refundable advances in the accompanying consolidated financial statements. As of December 31, 2025 and 2024, NRGI had received conditional contributions totaling \$9,056,611 and \$14,762,790, respectively, which have not been recognized as support in the accompanying consolidated financial statements.

Contributed Nonfinancial Assets

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by NRGI. None of the contributed nonfinancial assets were restricted by donors.

Foreign Currency Translation

The U.S. Dollar is the functional currency for NRGI's worldwide operations. Transactions in currencies other than U.S. Dollars are converted into U.S. Dollars at the rate of exchange in effect during the month of the transaction.

Assets and liabilities denominated in currencies other than U.S. Dollars are translated into U.S. Dollars at the exchange rate in effect at the date of the Consolidated Statement of Financial Position.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Natural Resource Governance Institute and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

Grants Awarded

Grants awarded are recognized as expenses in the year that an unconditional grant award is authorized and approved. Grants not disbursed during the year of award are recorded as grants payable as of the date of the Consolidated Statements of Financial Position.

Functional Allocation of Expenses

The costs of providing NRG's programs and supporting services have been summarized on a functional basis in the Consolidated Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of NRG are reported as direct expenses to the functional area.

The indirect expenses that are allocated include salaries, payroll taxes, and benefits, which are allocated on the basis of actual time and effort, while office expense, occupancy, maintenance, subscriptions and memberships, are allocated based on salary percentages.

2. Fixed Assets

Fixed assets consisted of the following as of December 31, 2025 and 2024:

	2025	2024
Furniture and office equipment	\$ 12,504	\$ 11,041
Software and website development	995,540	987,710
Leasehold improvements	36,501	33,555
Other	27,660	27,660
Total Fixed assets	1,072,205	1,059,966
Less: Accumulated depreciation and amortization	(900,707)	(817,622)
Net Fixed Assets	\$ 171,498	\$ 242,344

3. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2025 and 2024:

	2025	2024
Purpose Restricted:		
Ford Foundation	\$ 75,271	\$ 382,874
Total Net Assets with Donor Restrictions	\$ 75,271	\$ 382,874

Natural Resource Governance Institute and Subsidiaries

**Notes to Consolidated Financial Statements
December 31, 2025 and 2024**

3. Net Assets with Donor Restrictions (Continued)

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which accomplished the restricted purposes specified by the donors or through the passage of time during the years ended December 31, 2025 and 2024:

	2025	2024
Purpose Restrictions Accomplished:		
Ford Foundation	\$ 990,361	\$ 441,676
Foreign, Commonwealth and Development Office	2,133,549	766,240
United Nations Democracy Fund	70,006	158,620
Quadrature Climate Foundation	1,446,466	544,566
Africa Climate Foundation	-	142,617
Climate Works Foundation	160,199	132,569
World Bank	721,717	-
Extractive Industries Transparency Initiative	-	46,656
The William and Flora Hewlett Foundation	-	300,000
Gordon and Betty Moore Foundation	412,523	608,179
Norwegian Agency for Development Cooperation	649,446	981,506
Swiss Agency for Development and Cooperation	566,159	728,128
Open Society Foundation	447,906	1,908,063
Viriya ENB	193,828	132,068
Deutsche Gesellschaft fur Internationale Zusammenarbeit	97,663	97,748
Heising-Simons Foundation	-	196,502
Energy Transition Fund	515,973	688,339
European Climate Foundation	175,420	176,369
Global Methane Hub	742,727	530,136
Adam Smith International	-	17,255
Institute of Development Studies	-	10,025
Sequoia Climate Foundation	1,829,402	1,460,321
Climate Energy Collaboration Group	-	34,916
Climate and Land Use Alliance	19,634	30,366
Rockefeller Foundation	209,291	75,000
Robertson Foundation	360,787	103,145
Transforma	34,990	-
Other	-	9,785
Subtotal	11,778,047	10,320,795
Passage of Time:		
Open Society Foundation	1,000,000	-
The William and Flora Hewlett Foundation	750,000	750,000
Subtotal	1,750,000	750,000
Total Net Assets Released from Donor Restrictions	\$ 13,528,047	\$ 11,070,795

Natural Resource Governance Institute and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

4. Liquidity and Availability

NRGI has a policy to structure its financial assets to be available and liquid as its obligations become due. Financial assets available for use for general expenditures within one year of the Consolidated Statements of Financial Position date comprise the following as of December 31, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 4,208,594	\$ 4,534,030
Grants and contributions receivable, net	2,186,049	3,094,001
Other receivables	2,025	22,343
Subtotal financial assets available within one year	6,396,668	7,650,374
Less: Net assets with donor restrictions	(75,271)	(382,874)
Financial Assets Available for Use Within One Year	\$ 6,321,397	\$ 7,267,500

5. Contributed Nonfinancial Assets

During the years ended December 31, 2025 and 2024, NRGI was the beneficiary of donated services which allowed NRGI to provide greater resources toward various activities. There were no donor-imposed restrictions associated with the contributed nonfinancial assets during the years ended December 31, 2025 and 2024.

The following contributed nonfinancial assets have been recorded in support and revenue, and in the following natural expense classification, during the years ended December 31, 2025 and 2024:

	2025	2024
Consultant Fees	\$ 19,512	\$ 31,582

The aforementioned contributed nonfinancial assets have been presented in the following functional expense classification in the accompanying Consolidated Statements of Functional Expenses:

	2025	2024
Management and General	\$ 19,512	\$ 31,582

6. Lease Commitments

NRGI determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to and the agreement creates enforceable rights and obligations. NRGI also considers whether its services agreements include the right to control the use of an asset.

Natural Resource Governance Institute and Subsidiaries

Notes to Consolidated Financial Statements December 31, 2025 and 2024

6. Lease Commitments (Continued)

NRGI recognizes most leases on its Consolidated Statement of Financial Position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria as defined by GAAP. NRGI made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of lease payments over the term of the lease at the commencement or modification date.

NRGI made the accounting policy election to use a risk-free discount rate, which is aligned with the lease term. NRGI has made an accounting policy election that allows lessees to choose not to separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes.

Operating Leases:

In April 2022, NRGI entered into a five-year lease for office space in New York that commenced on August 5, 2022 and expires in July 2027. Base rent is \$16,695 per month which will not escalate over the lease term. Under the lease agreement, NRGI received rent abatement for the first five months of the lease. The lease provides NRGI with a conditional option to renew for an additional 5-year term.

During 2025, NRGI entered into a new lease agreement for office space in the United Kingdom that commenced on February 1, 2025 and expires in January 2027. Base rent is \$14,964 per month which will not escalate over the lease term. Under the lease agreement, NRGI received rent abatement for the first two months of the lease.

NRGI previously leased office space in Ghana and Peru under agreements that expired during 2025.

For the years ended December 31, 2025 and 2024, the total lease cost for all operating leases was \$470,272 and \$478,268, respectively, which is included in Occupancy expense in the accompanying Consolidated Statements of Functional Expenses. For the years ended December 31, 2025 and 2024, the total cash paid was \$370,390 and \$408,026 for all operating leases. As of December 31, 2025 and 2024, respectively, the weighted-average remaining lease term and rate for operating leases is 1.49 and 2.27 years and 4.47% and 5.74%, respectively.

The following is a schedule of the future minimum lease payments due under the operating leases, net of imputed interest, as of December 31, 2025:

Year Ending December 31,	
2026	\$ 380,852
2027	131,671
	512,523
Less: Imputed interest	(18,700)
Total Operating Lease Liabilities	\$ 493,823

Notes to Consolidated Financial Statements
December 31, 2025 and 2024

7. Retirement Plans

NRGI established a defined contribution retirement plan (the "Plan") for all eligible employees working in the United States. NRGI may contribute up to 10% of compensation at its discretion for the Plan. In addition, NRGI contributes to retirement benefits for its eligible employees working in its overseas offices. Total contributions to all retirement plans for the years ended December 31, 2025 and 2024 was \$653,045 and \$639,080, respectively.

Deferred compensation (Section 547(b)) plans are offered to NRGI's former and current Chief Executive Officers (the "Executives").

The assets of these plans remain the property of NRGI (NRGI is the custodian) until distributed to the Executives or their beneficiaries at retirement or severance from employment. There were no contributions made to the plans during the years ended December 31, 2025 and 2024. At December 31, 2025 and 2024, \$107,118 and \$94,671, respectively, of deferred compensation is included in other assets and accounts payable and accrued liabilities in the accompanying Consolidated Statements of Financial Position.

8. Contingency

NRGI receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the Federal awards is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits. NRGI's expenditures of Federal awards totaled \$905,824 for the year ended December 31, 2025. Therefore, NRGI did not meet the threshold to require an audit in accordance with Subpart F of the Uniform Guidance.

9. Commitments

NRGI is committed under agreements for conference space through the fiscal year ending 2026. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amount of the cancellation penalties increases through the date of the event.

10. Subsequent Events

In preparing these consolidated financial statements, NRGI has evaluated events and transactions for potential recognition or disclosure through September 10, 2026, the date the consolidated financial statements were issued.

Supplemental Information

Natural Resource Governance Institute and Subsidiaries

Consolidating Statement of Financial Position
For the Year Ended December 31, 2025

	ASSETS					
	NRGI USA	NRGI EU	NRGI TUN	NRGI UK	Eliminations	Total
Cash and cash equivalents	\$ 4,089,846	\$ 40,171	\$ 690	\$ 77,887	\$ -	\$ 4,208,594
Grants and contributions receivable, net	2,186,049	-	-	-	-	2,186,049
Other receivables	2,025	-	-	-	-	2,025
Intercompany receivable	400,416	850	213,220	-	(614,486)	-
Prepaid expenses	367,363	1,716	-	72,507	-	441,586
Fixed assets, net	164,617	-	-	6,881	-	171,498
Operating lease right-of-use assets, net	276,154	-	-	174,959	-	451,113
Other assets	309,367	-	1,913	89,784	-	401,064
Total Assets	\$ 7,795,837	\$ 42,737	\$ 215,823	\$ 422,018	\$ (614,486)	\$ 7,861,929
	LIABILITIES AND NET ASSETS					
LIABILITIES						
Accounts payable and accrued liabilities	\$ 512,099	\$ 41,887	\$ 930	\$ 112,121	\$ -	\$ 667,037
Grants payable	64,620	-	-	-	-	64,620
Intercompany payable	-	-	601,032	13,454	(614,486)	-
Refundable advances	2,756,628	-	-	-	-	2,756,628
Operating lease liabilities, net	302,653	-	-	191,170	-	493,823
Total liabilities	3,636,000	41,887	601,962	316,745	(614,486)	3,982,108
NET ASSETS						
Without donor restrictions	4,084,566	850	(386,139)	105,273	-	3,804,550
With donor restrictions	75,271	-	-	-	-	75,271
Total net assets	4,159,837	850	(386,139)	105,273	-	3,879,821
Total Liabilities and Net Assets	\$ 7,795,837	\$ 42,737	\$ 215,823	\$ 422,018	\$ (614,486)	\$ 7,861,929

Natural Resource Governance Institute and Subsidiaries

Consolidating Statement of Activities and Change in Net Assets
Without Net Assets Classification
For the Year Ended December 2025

	NRGI USA	NRGI EU	NRGI TUN	NRGI UK	Eliminations	Total
SUPPORT AND REVENUE						
Grants and contributions	\$ 14,145,781	\$ 238,534	\$ -	\$ 2,174,080	\$ (2,412,615)	\$ 14,145,780
Other	4,223	-	-	-	-	4,223
Total support and revenue	<u>14,150,004</u>	<u>238,534</u>	<u>-</u>	<u>2,174,080</u>	<u>(2,412,615)</u>	<u>14,150,003</u>
EXPENSES						
Program Services	<u>12,244,556</u>	<u>231,347</u>	<u>48,996</u>	<u>977,307</u>	<u>(2,412,615)</u>	<u>11,089,591</u>
Supporting Services:						
Management and General	2,258,902	-	32,223	947,088	-	3,238,213
Fundraising	52,267	-	-	163,899	-	216,166
Total supporting services	<u>2,311,169</u>	<u>-</u>	<u>32,223</u>	<u>1,110,987</u>	<u>-</u>	<u>3,454,379</u>
Total expenses	<u>14,555,725</u>	<u>231,347</u>	<u>81,219</u>	<u>2,088,294</u>	<u>(2,412,615)</u>	<u>14,543,970</u>
Change in net assets before other item	(405,721)	7,187	(81,219)	85,786	-	(393,967)
OTHER ITEM						
Foreign currency translation adjustment	<u>6,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,067</u>
Change in net assets	(399,654)	7,187	(81,219)	85,786	-	(387,900)
Net assets at beginning of year	<u>4,559,491</u>	<u>(6,337)</u>	<u>(304,920)</u>	<u>19,487</u>	<u>-</u>	<u>4,267,721</u>
Net Assets at End of Year	<u><u>\$ 4,159,837</u></u>	<u><u>\$ 850</u></u>	<u><u>\$ (386,139)</u></u>	<u><u>\$ 105,273</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,879,821</u></u>