Consolidated Financial Statements



EarthRights International, Inc.

For the Year Ended December 31, 2025
With Summarized Financial Information for 2024

EarthRights International, Inc.

Table of Contents
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024

Independent Auditor's Report 2

Consolidated Statement of Financial Position 5

Consolidated Statement of Activities and Change in Net Assets 6

Consolidated Statement of Functional Expenses 7

Consolidated Statement of Cash Flows 8

Notes to Consolidated Financial Statements 9

CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
EarthRights International, Inc.
Washington, D.C.

Opinion

We have audited the accompanying consolidated financial statements of EarthRights International, Inc., the Foundation for Culture and Environment in Southeast Asia, and the Foundation for Environment and Natural Resources (collectively, "EarthRights"), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year 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 EarthRights as of December 31, 2025, and the consolidated change in net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 EarthRights and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EarthRights' 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 EarthRights' 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 EarthRights' 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.

Report on Summarized Comparative Information

We have previously audited EarthRights' 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



November 5, 2026

EarthRights International, Inc.

Consolidated Statement of Financial Position
As of December 31, 2025
With Summarized Financial Information for 2024

ASSETS

	2025	2024
Cash and cash equivalents	$ 1,576,267	$ 4,526,679
Investments	4,164,948	3,788,229
Accounts receivable and advances to field offices	32,527	10,969
Grants and contributions receivable, net	4,859,700	6,249,042
Prepaid expenses and deposits	60,689	58,522
Restricted cash-litigation fund escrow	28,762	27,712
Fixed assets, net	1,022,428	1,052,887
Operating lease right-of-use asset, net	1,128,188	-
Total Assets	$ 12,873,509	$ 15,714,040

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued liabilities	$ 27,837	$ 141,593
Accrued salaries and related benefits	348,179	294,935
Operating lease liability, net	1,205,965	-
Total liabilities	1,581,981	436,528
NET ASSETS		
Without donor restrictions	4,720,579	7,263,232
With donor restrictions	6,570,949	8,014,280
Total net assets	11,291,528	15,277,512
Total Liabilities and Net Assets	$ 12,873,509	$ 15,714,040

See accompanying notes to consolidated financial statements.

EarthRights International, Inc.

Consolidated Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Grants and contributions	$ 434,609	$ 4,815,497	$ 5,250,106	$ 10,591,487
Net investment return	369,106	-	369,106	383,386
Contracts	108,163	-	108,163	-
Other revenue	5,258	-	5,258	745
Net assets released from donor restrictions	6,258,828	(6,258,828)	-	-
Total support and revenue	7,175,964	(1,443,331)	5,732,633	10,975,618
EXPENSES				
Program Services:				
Legal	4,326,810	-	4,326,810	3,968,830
International Cross-Cutting	1,562,997	-	1,562,997	1,278,255
Advocacy and Campaigns	1,375,202	-	1,375,202	1,133,395
ER Schools and Training	787,085	-	787,085	928,840
Total program services	8,052,094	-	8,052,094	7,309,320
Supporting Services:				
Management and General	1,168,346	-	1,168,346	1,129,536
Development	498,177	-	498,177	449,645
Total supporting services	1,666,523	-	1,666,523	1,579,181
Total expenses	9,718,617	-	9,718,617	8,888,501
Change in net assets	(2,542,653)	(1,443,331)	(3,985,984)	2,087,117
Net assets at beginning of year	7,263,232	8,014,280	15,277,512	13,190,395
Net Assets at End of Year	$ 4,720,579	$ 6,570,949	$ 11,291,528	$ 15,277,512

See accompanying notes to consolidated financial statements.

EarthRights International, Inc.

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024

	2025									2024
	Program Services					Supporting Services				
	Legal	International Cross-Cutting	Advocacy and Campaigns	ER Schools and Training	Total Program Services	Management and General	Development	Total Supporting Services	Total Expenses	Total Expenses
Salaries and fringe benefits	$ 2,824,833	$ 995,090	$ 876,871	$ 446,391	$ 5,143,185	$ 933,131	$ 407,632	$ 1,340,763	$ 6,483,948	$5,733,718
Professional and consulting fees	738,502	186,842	138,281	64,667	1,128,292	125,175	21,408	146,583	1,274,875	1,136,528
Travel	287,942	66,420	147,201	85,785	587,348	33,764	17,878	51,642	638,990	610,641
Rent and utilities	90,737	93,174	17,262	15,735	216,908	17,482	11,416	28,898	245,806	225,509
Trainings and conferences	122,442	64,381	22,849	23,563	233,235	1,068	54	1,122	234,357	282,517
Office supplies and expenses	59,839	25,086	19,359	21,376	125,660	29,968	10,550	40,518	166,178	241,088
Grants	11,109	2,122	94,109	43,384	150,724	-	-	-	150,724	245,635
Telephone and internet	19,114	92,254	4,681	3,616	119,665	5,235	14,956	20,191	139,856	70,510
Subscription and reference material	33,016	12,882	19,322	2,016	67,236	5,813	7,312	13,125	80,361	54,018
Litigation and regulatory costs	55,638	3,986	740	1,480	61,844	2,116	300	2,416	64,260	95,022
Insurance	26,171	13,741	2,314	-	42,226	4,220	5,807	10,027	52,253	44,562
Banking, financial services, and currency fluctuation	14,124	750	15,754	10,173	40,801	6,424	(2)	6,422	47,223	35,671
Depreciation and amortization	8,172	1,351	7,627	12,764	29,914	272	273	545	30,459	30,465
Interns and volunteers	13,095	1,395	5,222	10,622	30,334	-	-	-	30,334	29,990
Other	6,108	1,253	1,842	39,285	48,488	-	464	464	48,952	12,986
Program planning	2,520	1,498	1,380	6,135	11,533	3,678	129	3,807	15,340	22,780
Professional dues and licenses	13,448	772	388	93	14,701	-	-	-	14,701	16,861
Total	$ 4,326,810	$ 1,562,997	$ 1,375,202	$ 787,085	$ 8,052,094	$ 1,168,346	$ 498,177	$ 1,666,523	$ 9,718,617	$8,888,501

See accompanying notes to consolidated financial statements.

EarthRights International, Inc.

Consolidated Statement of Cash Flows
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (3,985,984)	$ 2,087,117
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	30,459	30,465
Realized and unrealized gain on investments	(254,265)	(293,429)
Change in discount on non-current receivables	(116,389)	189,595
Amortization of operating lease right-of-use asset	39,316	-
(Increase) decrease in:		
Accounts receivable and advances to field offices	(21,558)	(2,781)
Grants and contributions receivable	1,505,731	(3,374,775)
Prepaid expenses and deposits	(2,167)	1,345
(Decrease) increase in:		
Accounts payable and accrued liabilities	(113,756)	(2,207)
Accrued salaries and related benefits	53,244	74,053
Operating lease liability	38,461	-
Net cash used by operating activities	(2,826,908)	(1,290,617)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets and improvements	-	(67,338)
Purchases of investments	(1,389,660)	(985,960)
Proceeds from sales of investments	1,267,206	929,453
Net cash used by investing activities	(122,454)	(123,845)
Net decrease in cash and cash equivalents	(2,949,362)	(1,414,462)
Cash and cash equivalents at beginning of year, including escrow-litigation fund	4,554,391	5,968,853
Cash and Cash Equivalents at End of Year - Litigation Fund Escrow	$ 1,605,029	$ 4,554,391
SUPPLEMENTAL INFORMATION		
Right-of-Use Asset	$ 1,167,504	$ -
Operating Lease Liability for Right-of-Use Asset	$ 1,167,504	$ -

See accompanying notes to consolidated financial statements.

1. Summary of Significant Accounting Policies

Organization

EarthRights International, Inc. (EarthRights, Inc.) is a non-governmental, non-profit organization founded in 1995 that combines the power of law and the power of people in defense of human rights and the environment (earth rights). EarthRights Inc. specializes in fact-finding, legal actions against perpetrators of earth rights abuses, training for grassroots and community leaders, and advocacy campaigns. Through these cutting-edge strategies, EarthRights Inc. seeks to end earth rights abuses, to provide real solutions for people, and to promote and protect human rights and the environment in the communities where EarthRights Inc. works. EarthRights Inc. is headquartered in the United States with additional offices in Peru and Thailand.

The accompanying consolidated financial statements also include the Foundation for Culture and Environment in Southeast Asia (FCESA). FCESA holds title to land in Thailand which is then leased for use by EarthRights Inc. and assists in acquiring visas and other support functions for EarthRights Inc. in Southeast Asia, including employing staff to carry out FCESA's and EarthRights Inc.'s shared functions in the region, under a Memorandum of Understanding with EarthRights Inc. FCESA enters into limited financial activity with oversight by EarthRights Inc., and is funded solely by EarthRights Inc.

The accompanying consolidated financial statements also include the Foundation for Environment and Natural Resources (FENR). FENR strengthens EarthRights Inc.'s campaign and legal programs in the Mekong region. It also operates under a Memorandum of Understanding with EarthRights Inc., and is funded solely by EarthRights Inc.

Principles of Consolidation

The accounts of EarthRights, Inc., FCESA and FENR (collectively, "EarthRights") 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.

Program Services

EarthRights carries out work in the following areas to achieve the above goals:

Legal - EarthRights' Legal work seeks to bring the power of the legal system to bear directly on earth rights abuses and thereby change the way that governments and corporations conduct business. To do so, EarthRights uses a variety of legal tools - especially litigation - to attach real costs to human rights and environmental abuses; thus encouraging public and private actors to respect earth rights everywhere.

International Cross-Cutting - This is a cross-program area which supports collaboration among EarthRights' other program areas, including communications, program management and monitoring and evaluation.

1. Summary of Significant Accounting Policies (Continued)

Program Services (Continued)

Advocacy and Campaigns - EarthRights' Advocacy and Campaigns work seeks to raise awareness and build broad support for earth rights issues. EarthRights' goal is to ensure that there are strong legal mechanisms for corporate accountability with regard to human rights and environmental abuses, and to prevent abuses in the first place by showing public and private actors that there are heavy costs associated with those violations. EarthRights' campaigns organize public support for earth rights issues and aim to hold corporate and government human rights and environmental offenders accountable in the "court of public opinion". EarthRights pursues this work in various national and international forums, such as with the OECD and UN bodies. Our work on EarthRights defenders aims to protect individuals and communities on the front lines who are threatened with violence, arrest, and intimidation for their work defending and protecting their homelands. It seeks to prevent abuses through training and risk management; protect defenders when they are threatened through rapid response plans and legal support; reveal and expose harms through investigation, documentation and reporting; and redress harms when they occur through legal actions on behalf of defenders to hold perpetrators accountable.

ER Schools and Training - EarthRights' Training work equips the current and next generations of grassroots human rights and environmental defenders with the necessary skills to defend human rights and protect natural resources from harmful and unsustainable development.

At EarthRights' Schools, local leaders develop the experience and knowledge they need to work at the community level and to advocate nationally and internationally on behalf of their own communities. EarthRights currently has a multi-month residential EarthRights School-Mekong, which brings together emerging leaders from the six countries of the Mekong region to expand their advocacy skills and content expertise around earth rights issues.

EarthRights also offers a two-week Latin American Seminar on Indigenous Legal Defense that equips Latin American lawyers and leaders with the skills and capacities to exercise, demand, and defend their rights as Indigenous peoples. In addition to these two annual schools, EarthRights conducts training for local leaders and legal advocates in the Amazon and Asia, and provides support for the alumni of its schools in these regions. In 2009, EarthRights launched the Mekong Legal Advocacy Institute, to provide training for lawyers in the Mekong region, and to help sustain a Mekong Legal network for these lawyers.

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. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with EarthRights' consolidated financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Investments

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Consolidated Statement of Activities and Change in Net Assets.

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. EarthRights’ policy is to liquidate all gifts of investments as soon as possible after the gift.

Grants and Contributions Receivable

Grants and contributions receivable includes unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term grants and contributions receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in grants and contributions.

1. Summary of Significant Accounting Policies (Continued)

Accounts Receivable and Advances to Field Offices

Accounts receivable and advances to field offices primarily consists of accrued investment interest. Accounts receivable and advances to field offices are recorded at their net realizable value which approximates fair value. Accounts receivable and advances to field offices are evaluated for an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. As a result of the aforementioned analysis, there was no allowance for credit losses recorded as of December 31, 2025.

Fixed Assets

Fixed assets in excess of $2,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Building improvements are amortized over the remaining life of the related building, generally forty years. 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 accompanying Consolidated Statement of Activities and Change in Net Assets.

Support from Grants and Contributions

Contributions are recognized in the appropriate category of net assets in the period received. EarthRights performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions 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.

Contributions, including grants qualifying as contributions, that are unconditional but 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. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying consolidated financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

1. Summary of Significant Accounting Policies (Continued)

Support from Grants and Contributions (Continued)

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, EarthRights had no refundable advances as of December 31, 2025.

In addition, EarthRights may obtain funding source agreements related to conditional contributions, which may be received in future years. However, EarthRights had no conditional contributions to be received in future years as of December 31, 2025.

Revenue from Contracts with Customers

EarthRights' contracts revenue is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. EarthRights has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. EarthRights' contracts with customers generally have initial terms of one year or less.

Foreign Currency Translation

The U.S. Dollar is the functional currency for EarthRights' 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 U.S. GAAP 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.

Functional Allocation of Expenses

The costs of providing EarthRights' programs and supporting services have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area were allocated based on estimated time and effort or other reasonable basis.

1. Summary of Significant Accounting Policies (Continued)

Risks and Uncertainties

EarthRights invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Reclassification

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. The reclassifications had no effect on the previously reported changes in net assets.

2. Investments and Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurement*, EarthRights has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the accompanying Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market EarthRights has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2025.

2. Investments and Fair Value Measurements (Continued)

Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.

- *Fixed Income* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Investments:				
Equities	$ 2,888,392	$ -	$ -	$ 2,888,392
Fixed Income	-	1,276,556	-	1,276,556
Total Investments	$ 2,888,392	$ 1,276,556	$ -	$ 4,164,948

Net investment return consisted of the following for the year ended December 31, 2025:

Interest and dividends	$ 171,268
Realized gain	170,238
Unrealized gain	84,027
Investment management fees paid to external advisors	(56,427)
Net Investment Return	$ 369,106

3. Grants and Contributions Receivable

EarthRights has received written promises to give from various donors totaling $5,226,253 as of December 31, 2025. Grants and contributions receivable that are due in more than one year have been recorded at the net present value of their estimated future cash flows using a discount rate of 4.50%.

Less than one year	$ 2,917,906
One to five years	2,015,000
Total	4,932,906
Less: Allowance to discount balance to present value	(73,206)
Total Grants and Contributions Receivable, Net	$ 4,859,700

4. Fixed Assets

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

Land	$	220,544
Improvements		29,474
Buildings		903,360
Property and equipment		188,271
Total Fixed Assets		1,341,649
Less: Accumulated depreciation and amortization		(319,221)
Net Fixed Assets	$	1,022,428

5. Net Assets with Donor Restrictions

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

Subject to Expenditure for a Specified Purpose:		
Legal	$	2,362,914
Advocacy and Campaigns		1,074,831
ER Schools and Training		703,659
International Cross-Cutting		1,249,507
Subtotal		5,390,911
Subject to passage of time		1,180,038
Total Net Assets with Donor Restrictions	$	6,570,949

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

Purpose Restrictions Accomplished:		
Legal	$	2,341,627
Advocacy and Campaigns		770,576
ER Schools and Training		639,633
International Cross-Cutting		914,990
Subtotal		4,666,826
Timing restrictions accomplished		1,592,002
Total Net Assets Released from Donor Restrictions	$	6,258,828

6. Liquidity and Availability

EarthRights has a policy to structure its financial assets to be available and liquid as its obligations become due. In general, cash is available to meet the upcoming year's needs for general expenditures from its cash accounts (including cash advances made to its field offices) and from grants and contributions receivable expected to be received as cash within the same period. In the event of financial distress or liquidity need, EarthRights can draw upon the operating reserve. Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position date comprise the following as of December 31, 2025:

Cash and cash equivalents	$ 1,576,267
Investments	4,164,948
Accounts receivable and advances to field offices	32,527
Grants and contributions receivable, net	4,859,700
Restricted cash-litigation fund escrow	28,762
Subtotal financial assets available within one year	10,662,204
Less: Donor-restricted funds	(5,390,911)
Less: Restricted cash-litigation fund escrow	(28,762)
Financial Assets Available for Use Within One Year	$ 5,242,531

7. Lease Commitments

EarthRights 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. EarthRights also considers whether its services agreements include the right to control the use of an asset.

EarthRights 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.

EarthRights 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.

EarthRights made the accounting policy election to use a risk-free discount rate, which is aligned with the lease term. EarthRights 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.

7. Lease Commitments (Continued)

Operating Leases:

EarthRights leased office space in Washington, D.C. under an agreement that began in May 2019 and terminated in June 2025. Base rent under this agreement was $12,609 per month.

In June 2025, EarthRights entered into a new lease agreement for office space in Washington, D.C. that commenced on July 1, 2025 and expires on September 30, 2036. Base rent is $11,399 per month, plus a proportionate share of expenses, increasing by a factor of 3.3% per year. Under the lease agreement, EarthRights received rent abatement for the first 15 months of the lease.

EarthRights also leases office space in Peru and Thailand under agreements that are set to expire during 2026.

For the year ended December 31, 2025, the total lease cost was $245,806 and total cash paid was $160,932 for all operating leases. As of December 31, 2025, the weighted-average remaining lease term and rate for the Washington, D.C. operating lease is 10.75 years and 6.5%, respectively.

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

Year Ending December 31,		
2026	$	34,197
2027		145,813
2028		157,408
2029		162,645
2030		168,074
Thereafter		1,081,863
		1,750,000
Less: Imputed interest		(544,035)
Total Operating Lease Liability	$	1,205,965

8. Retirement Plan

EarthRights provides retirement benefits to its eligible employees in the United States through a defined contribution plan (the Plan). For the year ended December 31, 2025, EarthRights made a 4% safe harbor contribution. Employer contributions to the Plan for the year ended December 31, 2025 totaled $157,619 and are included in Salaries and fringe benefits in the accompanying Consolidated Statement of Functional Expenses.

9. Subsequent Events

In preparing these consolidated financial statements, EarthRights has evaluated events and transactions for potential recognition or disclosure through November 5, 2026, the date the consolidated financial statements were issued.