

International Food Policy Research Institute

Financial Statements; Audit of Federal Awards
Performed in Accordance with Title 2 U.S. *Code of
Federal Regulations* Part 200, *Uniform Administrative
Requirements, Cost Principles, and Audit
Requirements for Federal Awards*

Years Ended December 31, 2025 and 2024
(With Independent Auditor's Report Thereon)

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Independent Auditor's Report

RSM US LLP

Audit & Risk Committee of the Board of Trustees
International Food Policy Research Institute

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of International Food Policy Research Institute (IFPRI), which comprise the statements of financial position as of December 31, 2025 and 2024, the related statements of activities, functional expenses, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of IFPRI as of December 31, 2025 and 2024, and the 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IFPRI 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about IFPRI's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 and *Government Auditing Standards* 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 IFPRI'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IFPRI'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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2026, on our consideration of IFPRI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of IFPRI's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IFPRI's internal control over financial reporting and compliance.

RSM US LLP

Washington, D.C.
September 28, 2026

International Food Policy Research Institute
Statements of Financial Position
December 31, 2025 and 2024
(In U.S. Dollar Thousands)

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and cash equivalents (Note 2(d))	\$ 23,812	\$ 23,712
Investments (Note 3)	59,588	60,739
Advances, prepaids and other assets, net (Note 4)	4,671	10,125
Receivable, net (Note 4)	16,946	28,244
Total current assets	<u>105,017</u>	<u>122,820</u>
Property and equipment, net (Note 5)	1,979	3,477
Right of use asset (Note 6)	<u>29,092</u>	<u>18,849</u>
Total assets	<u><u>\$ 136,088</u></u>	<u><u>\$ 145,146</u></u>
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 11,772	\$ 15,974
Accrued vacation	4,265	5,200
Unexpended project funds	30,815	44,294
Amount held for HarvestPlus program (Note 2(h))	13,644	20,027
Total current liabilities	<u>60,496</u>	<u>85,495</u>
Lease Liability (Note 6)	35,698	27,275
Accrued postretirement benefits (Note 8)	<u>6,031</u>	<u>4,637</u>
Total liabilities	<u>102,225</u>	<u>117,407</u>
Net assets without donor restrictions (Note 2(b))		
Board designated	320	505
Undesignated	28,994	23,614
Other net assets	4,549	3,620
Total net assets without donor restrictions	<u>33,863</u>	<u>27,739</u>
Commitments and contingencies (Note 10)		
Total liabilities and net assets	<u><u>\$ 136,088</u></u>	<u><u>\$ 145,146</u></u>

The accompanying notes are an integral part of the financial statements.

International Food Policy Research Institute
Statements of Activities
Years Ended December 31, 2025 and 2024
(In U.S. Dollar Thousands)

	2025	2024
Support and revenue:		
Grants and contracts	\$ 100,961	\$ 121,480
Financial income, net	1,123	2,554
Other income	1,725	1,705
Total support and revenue	103,809	125,739
Expenses:		
Program expenses	85,866	108,474
Support and other expenses	12,748	16,285
Total expenses	98,614	124,759
Change in net assets without donor restrictions before other changes	5,195	980
Other changes:		
Unrealized gain	2,434	399
Postretirement related change	(1,505)	79
	929	478
Change in net assets	6,124	1,458
Net assets:		
Beginning	27,739	26,281
Ending	<u><u>\$ 33,863</u></u>	<u><u>\$ 27,739</u></u>

The accompanying notes are an integral part of the financial statements.

International Food Policy Research Institute
Statements of Functional Expenses
Years Ended December 31, 2025 and 2024
(In U.S. Dollar Thousands)

	2025				2024			
	Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total
Salaries and wages	\$ 29,445	\$ 4,644	\$ 30	\$ 34,119	\$ 32,521	\$ 4,550	\$ 60	\$ 37,131
Employee benefits	15,963	2,607	30	18,600	15,463	2,586	33	18,082
Professional services	541	337	-	878	623	1,100	-	1,723
Accounting fees	29	181	-	210	36	300	-	336
Legal fees	5	93	-	98	9	98	-	107
Office expenses	172	5	3	180	191	8	-	199
Information technology	720	505	1	1,226	742	515	-	1,257
Occupancy	3,171	925	27	4,123	3,212	1,642	-	4,854
Travel	1,975	197	11	2,183	3,025	97	19	3,141
Conferences, conventions, meetings	1,107	72	1	1,180	1,554	130	-	1,684
Insurance	28	256	-	284	14	303	-	317
Training and development	53	15	-	68	11	39	-	50
Depreciation	435	156	-	591	748	372	-	1,120
Bad debt expense	-	206	-	206	-	1,704	-	1,704
Other collaborators & subcontractors	30,133	467	8	30,608	47,808	492	-	48,300
CSP	-	1,315	-	1,315	-	1,441	-	1,441
Printing & publication	589	23	1	613	489	38	-	527
Equipment rental & maintenance	614	328	6	948	724	398	-	1,122
All other expenses	886	298	-	1,184	1,304	360	-	1,664
Total	\$ 85,866	\$ 12,630	\$ 118	\$ 98,614	\$ 108,474	\$ 16,173	\$ 112	\$ 124,759

The accompanying notes are an integral part of the financial statements.

International Food Policy Research Institute
Statements of Changes in Net Assets
Years Ended December 31, 2025 and 2024
(In U.S. Dollar Thousands)

	Board Designated	Undesignated	Other Net Assets	Total
Balance at December 31, 2024	\$ 505	\$ 23,614	\$ 3,620	\$ 27,739
Net change in investment in property and equipment (Note 5(a))	(499)	499	-	-
Landlord-financed property and equipment (Note 5(b))	20	(20)	-	-
Amortization of landlord-financed property and equipment (Note 5(b))	294	(294)	-	-
Change in unrestricted net assets before other comprehensive income	-	5,195	-	5,195
Post-retirement related changes	-	-	(1,505)	(1,505)
Unrealized gain on investment	-	-	2,434	2,434
Balance at December 31, 2025	<u>\$ 320</u>	<u>\$ 28,994</u>	<u>\$ 4,549</u>	<u>\$ 33,863</u>
	Board Designated	Undesignated	Other Net Assets	Total
Balance at December 31, 2023	\$ 543	\$ 22,596	\$ 3,142	26,281
Net change in investment in property and equipment (Note 5(a))	(810)	810	-	-
Amortization of landlord-financed property and equipment (Note 5(b))	772	(772)	-	-
Change in unrestricted net assets before other comprehensive income	-	980	-	980
Post-retirement related changes	-	-	79	79
Unrealized gain on investment	-	-	399	399
Balance at December 31, 2024	<u>\$ 505</u>	<u>\$ 23,614</u>	<u>\$ 3,620</u>	<u>\$ 27,739</u>

The accompanying notes are an integral part of the financial statements.

International Food Policy Research Institute
Statements of Cash Flows
Years Ended December 31, 2025 and 2024
(In U.S. Dollar Thousands)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets without donor restrictions	\$ 6,124	\$ 1,458
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(2,334)	(1,331)
Depreciation and amortization	591	1,120
Provisions for uncollectible receivables	206	1,704
Amortization of right of use asset	2,339	3,713
(Increase) decrease in assets:		
Accounts receivable	11,092	(5,498)
Advances, prepaids and other assets	5,454	(849)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(4,202)	7,204
Accrued vacation	(935)	724
Unexpended project funds	(13,479)	2,914
Amount held for HarvestPlus Program	(6,383)	(5,848)
Lease liability	(4,159)	(5,255)
Accrued postretirement benefits	1,394	(217)
Net cash used in operating activities	<u>(4,292)</u>	<u>(161)</u>
Cash flows from investing activities		
Acquisition of property and equipment	(92)	(310)
Purchases of investments	(14,198)	(8,061)
Proceeds from sales of investments	<u>18,682</u>	<u>17,810</u>
Net cash provided by investing activities	<u>4,392</u>	<u>9,439</u>
Net increase in cash and cash equivalents	100	9,278
Cash and cash equivalents, beginning of year	<u>23,712</u>	<u>14,434</u>
Cash and cash equivalents, end of year	<u><u>\$ 23,812</u></u>	<u><u>\$ 23,712</u></u>
Supplemental disclosures of cash flow information:		
Addition to right of use asset for operating leases	<u><u>\$ 31,295</u></u>	<u><u>\$ -</u></u>
Addition to lease liability	<u><u>\$ 36,996</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements.

International Food Policy Research Institute
Notes to Financial Statements
December 31, 2025 and 2024
(In U.S. Dollar Thousands)

1. Nature of Activities

By Executive Order 12359, the International Food Policy Research Institute (IFPRI) is a public international organization entitled to certain privileges, exemptions and immunities conferred by the International Organizations Immunities Act, including exemption from federal income tax under Section 501(c)(3), except on unrelated business activities.

IFPRI was established to identify and analyze alternative national and international strategies and policies for meeting food needs in the world, with particular emphasis on low-income countries and on the poorer groups in those countries. While the research effort is geared to the precise objective of contributing to the reduction of hunger and malnutrition, the factors involved are many and wide-ranging, requiring analysis of underlying processes and extending beyond a narrowly defined food sector.

IFPRI's direct research program reflects worldwide interaction with policymakers, administrators and others concerned with increasing food production and with improving the equity of its distribution. Research results are published and distributed to officials and others concerned with national and international food and agricultural policy. As a constituent of the Consultative Group for International Agricultural Research (CGIAR), IFPRI receives the majority of its support for the integrated program of research from governments, international and regional organizations and foundations. As a constituent of CGIAR with international status, 50% of IFPRI's Trustees are appointed by CGIAR.

Created in 1971, CGIAR is an association of public and private members supporting a system of 15 research centers (Centers), including IFPRI, which work in more than 100 countries to utilize cutting-edge science to reduce hunger and poverty, improve human nutrition and health, and protect the environment.

In 2011, the CGIAR introduced a new programmatic based approach to doing business. The Funders to the CGIAR, represented by a new Fund Council, approved the creation of 15 CGIAR Research Programs (CRPs), each to be led by a designated Center. IFPRI was designated to lead two of these CRPs, with a commencement date of January 1, 2012. The CRPs led by IFPRI were the Policies, Institutions and Markets and the Agriculture for Nutrition and Health. The Lead Center is responsible, through a Program Implementation Agreement (PIA), for overseeing the implementation of the CRP by Program Participants and for all payments to and reporting from Program Participants. Program participants include other CGIAR supported Centers and Partners who are subcontracted by the Lead Center via Program Participant Agreement (PPA) or other suitable contracting arrangement. The Lead Center includes in its Statement of Activities expenses incurred by subcontracted Centers and the corresponding revenue.

During 2016, CGIAR transitioned to a new operating structure, which established the CGIAR System Organization, governed by a System Management Board. A System Council replaced the Fund Council.

A second phase of the transition to a new operating structure commenced on January 1, 2017, which resulted in the continuing operation of 11 CRPs and 3 Platforms. The CRP on Policies, Institutions, and Markets and on Agriculture for Nutrition and Health (A4NH) were among the CRPs approved for the second phase and continued to be led by IFPRI.

Following the conclusion of CRPs in 2021, a new portfolio of CGIAR initiatives were launched in January 2022, aimed at radically realigning food, land and water systems. CGIAR's new initiatives were designed by multidisciplinary teams of scientists from across the CGIAR System to make real, lasting, and positive impact across five Impact Areas: 1) Nutrition, Health, and Food Security; 2) Poverty Reduction, Livelihoods, and Jobs; 3) Gender Equality, Youth, and Social Inclusion; 4) Climate Adaptation and

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Mitigation; and 5) Environmental Health and Biodiversity. The new initiatives provide funders with a clear path to impact for people, climate and nature.

Funders to the CGIAR may continue to channel funds through a special CGIAR Fund and designate the funds to Funding “Windows.” Under CRPs, funds through Window 1 were allocated and disbursed by the Fund Council to CRPs, while funds through Window 2 were designated by the Funders to specific CRPs. With the transition to initiatives, Window 2 was eliminated, allowing funders to contribute undesignated and designated funds through Window 1. Funding through Window 3 continues to be allocated by Funders to specific CGIAR Centers to finance research activities. Funds through Bilateral agreements are provided directly to specific CGIAR Centers from the Funder, rather than passing through a CGIAR Fund.

IFPRI presents revenue and expenses flowing through these “Windows” and “Bilateral” funding (i.e., initiative and CRP structure) as part of Grants and contracts in the accompanying statements of activities.

Summary of Significant Accounting Policies

a) Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred.

b) Basis of Presentation

IFPRI prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Net Assets

Net assets represent resources classified for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. A description of the two classes is as follows:

Net assets without donor restrictions: Net assets without donor restrictions represent funds that are available for the support of IFPRI’s operations. Net assets without donor restrictions are available for the overall operations of IFPRI and include both designated and undesignated net asset portions, as follows:

Board Designated:

Net Investment in Property and Equipment – A portion of net assets without donor restrictions has been designated by the Board to reflect net investment in property and equipment. See Note 5 for additional disclosure.

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(In U.S. Dollar Thousands)

Undesignated:

IFPRI considers its undesignated net assets to be operating reserves. Under the guidelines of CGIAR, operating reserves should be equivalent to 75 to 90 days of operating expenses; however, IFPRI's Board encourages a minimum 90-day reserve. The operating reserves are composed of cash and cash equivalents and certain receivables, less certain liabilities, prepaid grant funds and contract funds received in advance. These net assets represent approximately 104 and 76 days of total net assets expenses for 2025 and 2024, respectively. The balances of \$28,994 and \$23,614 are presented as undesignated net assets at December 31, 2025 and 2024, respectively.

Unrecognized Actuarial Gain:

IFPRI provides health care and life insurance benefits to certain retired employees and their dependents. This portion of unrestricted net assets represents the accumulated changes in net assets related to the postretirement benefit changes that have not yet been recognized in net periodic postretirement benefit cost. See Note 8 for additional disclosure.

Net assets with donor restrictions: Net assets subject to donor-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. IFPRI did not have any net assets with donor restrictions at December 31, 2025 or 2024. Donor restricted contributions where the restrictions are met in the same year the contribution is received are classified as net assets without donor restrictions in the accompanying financial statements.

c) Revenue

IFPRI's revenue is primarily derived from cost-reimbursement-type grants and contracts, which are accounted for as are conditional contributions. Revenue is recognized when the barriers to recognition are met, generally over the grant period as related allowable expenses are incurred.

IFPRI's receivables represent amounts which have been earned, but for which funds have not yet been received. Unexpended project funds primarily represent amounts received by IFPRI and related to specific projects funded by donors, but for which the related costs have not yet been incurred. Advance payment of CGIAR's grant funds in the accompanying statements of financial position relates to amounts received by IFPRI prior to the research conducted on the respective grant, and include disbursements from the CGIAR to CRPs via the Funding Windows, referred to in Note 1.

Concentrations of credit risk, with respect to receivables, are limited due to the majority of receivables being from CGIAR-member countries and international organizations. Management does not believe a significant risk exists in connection with IFPRI's concentrations of credit at December 31, 2025.

d) Cash and Cash Equivalents

Cash and cash equivalents are carried at cost, which approximates fair value, and is comprised of interest-bearing deposits in money market accounts and commercial paper with original maturities of three months or less.

International Food Policy Research Institute
Notes to Financial Statements
December 31, 2025 and 2024
(In U.S. Dollar Thousands)

IFPRI maintains its cash equivalents at two financial institutions in the United States. The balances, at times, may exceed levels fully insured under federal law. At December 31, 2025 and 2024, IFPRI held \$21,740 and \$21,149, respectively, in five accounts, in balances in excess of amounts covered by the Federal Deposit Insurance Corporation.

e) Investments

Investments consist of U.S. government and agency obligations, equity and fixed income mutual funds, and corporate obligations. Investments are recorded at fair value, which is based on quoted market prices or dealer quotes. Gains and losses arising from the sale, maturity or other disposition of investments are accounted for on a specific identification basis, calculated as of the trade date. Realized gains and losses are reported as financial income in the statements of activities. Unrealized gains and losses are reported as other changes in net assets on the statement of activities. Investment income is reported as net assets without donor restrictions revenue, unless stipulated for a specific purpose by a donor.

IFPRI's investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

f) Fair Value of Financial Instruments

Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, establishes among other things, a hierarchical disclosure framework, which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. The hierarchy gives highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3 measurements).

Under ASC 820, Financial instruments are classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets or liabilities

Level 2 – Observable market-based inputs or unobservable inputs corroborated by market data

Level 3 – Unobservable inputs that are not corroborated by market data

In determining the appropriate levels, IFPRI performs a detailed analysis of the assets and liabilities that are measured at fair value, on a recurring basis. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs that are not corroborated are classified as Level 3. There were no Level 3 inputs for any assets held by IFPRI at December 31, 2025 and 2024.

g) Property and Equipment

Furnishings and equipment, software, computer equipment and vehicles owned by IFPRI are recorded at cost and depreciated over their estimated useful lives of three to six years using the straight-line method, with one-half year convention in the first year. Leasehold improvements are recorded at cost and are amortized over the term of the lease.

Expenditures for long-lived additions greater than \$1 are capitalized. Expenditures for less costly items and maintenance and repairs are charged to operations as incurred.

Valuation of Long Lived Assets:

IFPRI accounts for the subsequent measurement of certain long-lived assets in accordance with subsection of the Financial Accounting Standards Board (FASB) ASC Topic *Property, Plant, and Equipment* that addresses impairment or disposal of long-lived assets. The accounting standard requires that property, plant and equipment be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. There was no impairment of long lived assets as of December 31, 2025 or 2024.

h) Amount held for HarvestPlus Program

Amount held for HarvestPlus Program relates to funds received for the benefit of participating organizations in the HarvestPlus Program. In January 2012, the HarvestPlus Program activities became a component of the IFPRI led CRP “Agriculture for Nutrition and Health (A4NH)”. Prior to January 2013, the net balance of funds received and disbursed for the benefit of participating organizations in the HarvestPlus Program were captured under the Amount held for HarvestPlus Program in the statements of financial position.

During 2012, IFPRI continued to disburse funds received for HarvestPlus under the prior funding mechanism, and only reflected revenues and expenses for HarvestPlus Program activities undertaken directly by IFPRI in the statements of activities. Starting January 2013, IFPRI determined that all amounts held for the HarvestPlus Program were received under the A4NH CRP and, therefore, were under the control of IFPRI. Revenues are recognized by IFPRI for all expenditures by IFPRI and the participating organizations to the extent expenses have been incurred. All amounts received from funding agencies but not yet expended by IFPRI or other participating organizations are reported as Amount held for HarvestPlus Program on the statements of financial position. All amounts disbursed by IFPRI to participating organizations where the participating organization has not yet expended the funds are included in Advances, prepaids and other assets on the statements of financial position (see note 4(b)).

i.) Leases

IFPRI 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. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. IFPRI also considers whether its service arrangements include the right to control the use of an asset.

IFPRI recognizes most leases on its statements 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. Classification of the lease affects the pattern of expense recognition in the income statements.

Notes to Financial Statements
December 31, 2025 and 2024
(In U.S. Dollar Thousands)

IFPRI made an accounting policy election available 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 future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of ASC Topic 842, Leases). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date, and are reduced by any lease incentives received. To determine the present value of

lease payments, IFPRI made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

IFPRI has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The nonlease components typically represent additional services transferred to IFPRI, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

j.) Lease liabilities

Long-term leases are recognized at the present value of all lease payments using a risk-free borrowing rate comparable with that of the individual lease terms.

k.) Expenses

Costs are presented as research expenses, collaborator expenses and general and administration expenses. Research expenses include personnel, travel, supplies and services and depreciation. Collaborator expenses are distinguished between CGIAR collaboration and other partner collaborations.

l.) Allocation of Expenses

Direct costs are charged specifically to the programs benefited. Benefit costs are allocated to the programs based upon the proportion of fringe benefit costs to total salaries. Research support and general and administration costs are collectively referred to as indirect costs.

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

m.) Use of Estimates

Preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

n.) Allowance for Credit Losses

IFPRI adopted ASC 326, Financial Instruments—Credit Losses, as of January 1, 2023, with the cumulative-effect transition method with the required prospective approach. The measurement of expected credit losses under the current expected credit loss (CECL) methodology is applicable to financial assets measured at amortized cost, which include trade receivables, contract assets and non-current receivables. An allowance for credit losses under the CECL methodology is determined using the loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are evaluated on an individual basis. The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. There was no allowance for credit losses as of December 31, 2025 and 2024.

o.) Accounts Receivable

Accounts receivables are carried at original invoice amount, less an estimate made for doubtful receivables, based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual account receivable balances for conditions that may impair collection. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

p.) Income Taxes

IFPRI is generally exempt from federal income tax under Internal Revenue Code Section 501(c) (3). In addition, IFPRI has been classified as an organization that is not a private foundation within the meaning of Section 170 (b) (1) (A) (vi) of the Code. Income that is not related to its exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes.

IFPRI has adopted the standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this policy, IFPRI may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position would be sustained on examination by taxing authorities, based on the technical merits of the position.

Management evaluated IFPRI's tax positions and concluded that IFPRI has taken no uncertain tax positions that require recognition or disclosure in the financial statements. Generally, IFPRI is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2020.

q.) Subsequent Events

IFPRI has evaluated subsequent events through September 28, 2026, the date on which the financial statements were available to be issued.

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Notes to Financial Statements
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2. Investments and Fair Value Measurements

Investments are comprised of the following at December 31:

	<u>2025</u>	<u>2024</u>
U.S. government and agency obligations	\$ -	\$ 1,629
Corporate obligations	16,497	10,057
Mutual funds - equity	9,584	8,949
Mutual funds - fixed income	<u>33,507</u>	<u>40,104</u>
Investments	<u><u>\$ 59,588</u></u>	<u><u>\$ 60,739</u></u>

Investment income is comprised of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Realized (losses) gain	\$ (100)	\$ 932
Interest and dividends	<u>1,470</u>	<u>1,889</u>
	1,370	2,821
Investment expenses	<u>(247)</u>	<u>(267)</u>
Investment income	<u><u>\$ 1,123</u></u>	<u><u>\$ 2,554</u></u>

Interest, dividends and realized (losses) gains are included in financial income on the statements of activities. Financial expenses on the statements of activities includes investment fees and foreign exchange losses.

The tables below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy, as defined in ASC 820 (see Note 2(f)) as of December 31:

	<u>2025</u>	<u>Level 1</u>	<u>Level 2</u>
Corporate obligations	\$ 16,497	\$ -	\$ 16,497
Mutual Funds - Equity	9,584	9,584	-
Mutual Funds - Fixed Income	<u>33,507</u>	<u>33,507</u>	<u>-</u>
	<u><u>\$ 59,588</u></u>	<u><u>\$ 43,091</u></u>	<u><u>\$ 16,497</u></u>
	<u>2024</u>	<u>Level 1</u>	<u>Level 2</u>
U.S. Government and agency obligations	\$ 1,629	\$ -	\$ 1,629
Corporate obligations	10,057	-	10,057
Mutual Funds - Equity	8,949	8,949	-
Mutual Funds - Fixed Income	<u>40,104</u>	<u>40,104</u>	<u>-</u>
	<u><u>\$ 60,739</u></u>	<u><u>\$ 49,053</u></u>	<u><u>\$ 11,686</u></u>

International Food Policy Research Institute
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IFPRI's U.S. government and agency obligations and corporate obligations are priced based on their stated interest rates and quality ratings. The interest and quality ratings are observable at commonly quoted intervals for the full term of the instruments and are, therefore, considered Level 2 items.

The fair value of IFPRI's mutual fund investments is based on quoted market prices and is considered Level 1 in the fair value hierarchy.

3. Receivables, Net and Advances, Prepaids and Other Assets, Net

a) Receivables, net consist of the following at December 31:

Billed accounts receivable and unbilled accounts receivable on projects totaled \$7,107 and \$13,298 at December 31, 2025, respectively, compared to \$5,906 and \$25,839 at December 31, 2024, respectively.

	<u>2025</u>	<u>2024</u>
Unrestricted projects	\$ 21	\$ -
Restricted projects	<u>20,384</u>	<u>31,745</u>
	20,405	31,745
Less allowance for doubtful accounts	<u>(3,459)</u>	<u>(3,501)</u>
Receivable, net	<u><u>\$ 16,946</u></u>	<u><u>\$ 28,244</u></u>

b) Advances, prepaids and other assets, net consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Advance to HarvestPlus partners	\$ 1,811	\$ 3,868
Other advances, prepaids and deposits	<u>3,210</u>	<u>6,607</u>
	5,021	10,475
Less allowance for doubtful accounts	<u>(350)</u>	<u>(350)</u>
Advances, prepaids and deposits, net	<u><u>\$ 4,671</u></u>	<u><u>\$ 10,125</u></u>

Advances, prepaids and other assets are primarily comprised of funding advanced to research partners that will be liquidated and recorded as revenue and expenses upon submission of expenditure reports by partners. Employee and miscellaneous receivables are also included.

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4. Property and Equipment

a) Property and equipment, net

Property and equipment, net consist of the following at December 31:

	2024	Additions	Disposals	2025
Acquisition cost:				
Furnishing, computer and equipment	\$ 5,920	\$ 92	\$ -	\$ 6,012
Leasehold improvements	8,645	-	(2,503)	6,142
Vehicles	634	-	-	634
Software	1,073	-	-	1,073
Total	16,272	92	(2,503)	13,861
Accumulated depreciation:	12,795	591	(1,504)	11,882
Net book value	<u>\$ 3,477</u>	<u>\$ (499)</u>	<u>\$ (999)</u>	<u>\$ 1,979</u>
	2023	Additions	Disposals	2024
Acquisition cost:				
Furnishing, computer and equipment	\$ 5,697	\$ 223	\$ -	\$ 5,920
Leasehold improvements	8,645	-	-	8,645
Vehicles	634	-	-	634
Software	986	87	-	1,073
Total	15,962	310	-	16,272
Accumulated depreciation:	11,675	1,120	-	12,795
Net book value	<u>\$ 4,287</u>	<u>\$ (810)</u>	<u>\$ -</u>	<u>\$ 3,477</u>

b) Leasehold improvements

IFPRI entered into a lease modification for its headquarters office that became effective on January 1, 2025. The amended agreement extends the lease term by an additional 11 years, includes three months of rent abatement, and provides for the partial surrender of leased office space previously occupied under the original lease.

Under both the original lease agreement and the amended lease, landlord-financed leasehold improvements are capitalized as property and equipment, with a corresponding lease-related liability recognized in accordance with applicable accounting guidance. As these amounts arise from the overall lease transaction, and do not result in additional cash expenditures by IFPRI, the net book value of landlord-financed leasehold improvements is deducted in determining the adjusted net book value of property and equipment.

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The 2025 net investment in properties and equipment's is computed as follows:

Total net book value of property and equipment at December 31, 2025 (Note 5)	\$	1,979
Less landlord-financed assets:		
Cost of assets	\$	7,579
Accumulated amortization at December 31, 2025		<u>(5,917)</u>
Total net book value of landlord financed		<u>1,662</u>
Net investment in property and equipment at December 31, 2025	\$	<u>317</u>
Total net book value of property and equipment at December 31, 2024 (Note 5)	\$	3,477
Less landlord-financed assets:		
Cost of assets	\$	10,102
Accumulated amortization at December 31, 2024		<u>(7,130)</u>
Total net book value of landlord financed		<u>2,972</u>
Net investment in property and equipment at December 31, 2024	\$	<u>505</u>

5. Leases

IFPRI leases office space at its headquarters. The current headquarters lease ends in 2035. In addition, IFPRI has other office lease arrangements at several international locations.

The weighted-average discount rate of the office lease is 4.57%. The weighted-average remaining lease term is 9.33 years.

Supplemental cash flow information related to leases is as follows for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 6,263</u>	<u>\$ 6,236</u>

Future minimum lease payments for office and certain office equipment leases are as follows:

Years Ending December 31:	
2026	\$ 4,414
2027	4,473
2028	4,582
2029	4,654
2030	4,695
Thereafter	<u>21,887</u>
Future minimum lease payments	44,705
Less imputed interest	<u>9,007</u>
	<u>\$ 35,698</u>

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IFPRI adopted FASB ASC 842 effective January 1, 2022, requiring leases to be recognized on the statements of financial position as a lease liability based on the present value of the remaining lease payments through the end of the lease period. A corresponding ROU asset was recorded net of deferred rent as of December 31, 2025. The lease liability is amortized and expensed over the remaining lease term by applying IFPRI's risk-free rate as of the ASC 842 implementation date to unamortized balances. Straight-line rent expense over the full lease term less lease amortization reduces the ROU balance. Operating lease cost is recognized on a straight-line basis over the lease term. Total operating lease expense for the years ended December 31, 2025 and 2024, amounted to approximately \$4,759 and \$6,077, respectively.

6. Retirement Plan

IFPRI maintains a defined contribution retirement plan for all full-time employees, under which IFPRI contributes 15% of an employee's base compensation. Contributions for U.S. employees and resident aliens are made to the Teachers Insurance and Annuity Association and the College Retirement Equities Fund. Contributions for the nonresident staff are made to the International Agricultural Research Centers Retirement Plan. Total contributions were \$5,655 and \$5,693 for the years ended December 31, 2025 and 2024, respectively. All plan participants are immediately vested in their contributions.

7. Postretirement Benefits

IFPRI provides health care and life insurance benefits to certain retired employees and their dependents. Employees become eligible for benefits after meeting certain age and service requirements. The plan is contributory with retiree contributions adjusted annually and contains other cost-sharing features, such as deductibles and coinsurance.

Postretirement benefit periodic costs recognized in the financial statements at December 31:

	2025	2024
Components of net periodic benefit cost:		
Service cost	\$ 336	\$ 323
Interest cost	265	249
Amortization of unrecognized net gain	(624)	(637)
Net periodic cost	<u>\$ (23)</u>	<u>\$ (65)</u>

The postretirement benefit plan's funded status recognized in the financial statements at December 31:

	2025	2024
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 4,637	\$ 4,854
Service cost	336	323
Interest cost	265	249
Participant contributions	(90)	(73)
Actuarial loss/(gain)	883	(716)
Benefit obligation at year-end	<u>6,031</u>	<u>4,637</u>
Funded status - liability	<u>6,031</u>	<u>4,637</u>
Accrued benefit cost	<u>\$ 6,031</u>	<u>\$ 4,637</u>

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Notes to Financial Statements
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The net gain that has not been recognized as a component of net periodic postretirement benefit cost as of December 31:

	<u>2025</u>	<u>2024</u>
Unrecognized gain	<u>\$ 2,482</u>	<u>\$ 3,988</u>

The net gain that is amortized into net periodic benefit cost over the next fiscal year:

	<u>2026</u>	<u>2025</u>
Amortization of gain during the year		
Unrecognized net gain	<u>\$ 315</u>	<u>\$ 624</u>

The accumulated postretirement benefits obligation was determined using a discount rate of 5.50% and 5.80% at December 31, 2025 and 2024, respectively. The healthcare cost trend rates were 7.00% and 6.50% at December 31, 2025 and 2024, respectively. The ultimate healthcare cost trend rate was 5.00%, expected to be reached in 2034 for the 2025 measurement and in 2031 for the 2024 measurement.

In October 2021, the Society of Actuaries released new data regarding observed mortality rate improvements. Fiscal year 2020 mortality gain reflects the changes in mortality improvement projection assumptions. The mortality improvement projection assumption was updated from Scale MP-2020 to Scale MP-2021 applied on a generational basis beginning with the Pri-2012 mortality tables' base year of 2012.

IFPRI's policy is to fund the aforementioned benefits as claims and premiums are paid.

Employer contributions expected to be made for the next fiscal year are \$191. Postretirement benefits expected to be paid for each of the next five years, and the aggregate for the succeeding five years, are as follows:

2026	\$ 191
2027	244
2028	266
2029	297
2030	331
2031– 2035	2,212

International Food Policy Research Institute
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8. Liquidity and Availability

IFPRI regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to maximize the return on investment of its funds not required for annual operations. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 23,812	\$ 23,712
Receivables, net	16,946	28,244
Operating investments	59,588	60,739
	<u>\$ 100,346</u>	<u>\$ 112,695</u>

As part of IFPRI's liquidity management, operating investments have been structured to be available as general expenditures, liabilities and other obligations come due.

9. Contingencies

Revenue: A substantial portion of revenue is subject to audit by grantors. These audits may result in a liability payable to the grantor. The amount, if any, of expenditures which may be potentially disallowed, cannot be determined at this time, although management expects such amounts to be immaterial to the statements of financial position, activities and cash flows.

10. Conditional Grants

Conditional grants are recognized as earned in the year in which IFPRI incurs qualified expenses which also meet the conditions. Conditional grant funds received in excess of costs incurred are recorded as unexpended project funds until earned. Grant costs incurred in excess of funds received are recorded as accounts receivable. As of December 31, 2025, the following are conditional grants by funder:

Funder	<u>Total Conditional Grant</u>	<u>Amount Earned Through 2025</u>	<u>Amount of Conditional Grant Left to Earn</u>
Cash grants from U.S. Government	\$ 106,258	\$ 104,481	\$ 1,777
Cash grants from Other Donors	600,467	305,781	294,686
	<u>\$ 706,725</u>	<u>\$ 410,262</u>	<u>\$ 296,463</u>

IFPRI has awarded conditional grants to subrecipients related to the performance of these projects. The outstanding commitment on these subrecipient agreements was \$17,779 as of December 31, 2025.

International Food Policy Research Institute
Notes to Financial Statements
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11. Related Parties

HarvestPlus Solutions, an independent entity, is subcontracted by IFPRI to support various activities associated with IFPRI's HarvestPlus program. IFPRI also provides administrative services to HarvestPlus Solutions under a separate agreement. During the years ended December 31, 2025 and 2024, IFPRI provided \$112 and \$80, respectively, of services to HarvestPlus Solutions.

International Food Policy Research Institute

Schedule of Expenditures of Federal Awards Year Ended December 31, 2025 (In U.S. Dollar Thousands)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance	Direct Award Contract/Grant or Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
	Listing Number			
Research and Development Cluster				
Food Policy Research Program				
United States Agency for International Development (USAID):				
Evaluating Impact and Building Capacity: An Egypt Strategy Support Program	98.U01	AID-263-IO-I 5-00001 *	\$ 156	\$ 696
Passthrough Funds Received from The International Potato Center				
Socio-economic analysis of 3 R-gene LBR biotech potato in Africa and Asia	98.U01	7200AA21CA00018	-	3
USAID Foreign Assistance for Programs Overseas:				
Policy, Evidence, Analytics, Evidence, Research and Learning (PEARL)	98.001	720RFS22IO00003 *	637	1,818
Passthrough Funds Received from Michigan State University				
Feed the Future Policy Support for Economic Growth Activity in Nigeria (PSEG)	98.001	72062024LA00001	-	39
Designing and Implementing Evidence based Climate Change Mitigation and Adaptation Strategies in Tajikistan	98.001	7200AA19LE00001	-	18
Aflatoxin M1 Health Risks vs. Benefits of Dairy Consumption in Ethiopian Children: An Epidemiological Trial and Risk-Benefit Analysis	98.001	SUB00003187	-	2
Feed the Future Innovation Lab for Food Security Policy Research, Capacity and Influence	98.001	7200AA19LE00001	-	76
Passthrough Funds Received from Save the Children Federation, Inc.				
Implementer-Led Evaluation and Learning (IMPEL)	98.001	72DFFP19LA00003	-	1
Passthrough Funds Received from The International Maize and Wheat Improvement Center				
Russia-Ukraine crisis response: building food system resilience to global supply chain and climate shocks in Malawi	98.001	AID367G1000002	-	(2)
Sustainable Agrifood Systems Approach for Sudan (SASAS)	98.001	AID367G1000002	-	230
Passthrough Funds Received from World Vision, Inc.				
Building Pathway Out of Poverty for Ultra-poor IDP's and Vulnerable Host Communities in Baidoa	98.001	720BHA22CA00002	-	44
Passthrough Funds Received from Cornell University				
Building Resilience Through Social Protection	98.001	7200AA19LE00004	-	41
Passthrough Funds Received from The University of Nebraska				
Feed the Future Innovation Lab for Small-Scale Irrigation and Mechanization	98.001	7200AA23LE00005	-	37
Passthrough Funds Received from Abt Global LLC				
USAID Comprehensive Action for Climate Change Initiative (CACCI)	98.001	7200AA23LE00001	-	31
Passthrough Funds Received from The University of Arizona				
Feed the Future Innovation Lab for markets, Risk and Resilience (MRR IL)	98.001	7200AA19LE00004	19	20
Food for Peace Development Assistance Program:				
Passthrough Funds Received from Cooperative for Assistance and Relief Everywhere, Inc.				
TITUKULANE Malawi DFSA	98.007	72DFFP19CA00004	-	2
Food for Peace Emergency Program:				
Passthrough Funds Received from World Vision, Inc.				
Strengthen PSNP Institutions and Resilience II (SPIR II)	98.008	720BHA21CA00036	8	786
Total United States Agency for International Development			820	3,842

(Continued)

International Food Policy Research Institute

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2025 (In U.S. Dollar Thousands)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance	Direct Award Contract/Grant or Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
	Listing Number			
<i>Millennium Challenge Corporation (MCC):</i>				
Advisory Services – Program Management for Development and Implementation within the Agricultural Sector	85.U01	95332418T0015 *	\$ -	\$ 64
MCC Foreign Assistance for Overseas Programs:				
To provide support to MCC in program due diligence, development and implementation by providing statistical capacity and survey support and gender and social analysis	85.002	95332419T0011 *	-	24
Total Millennium Challenge Corporation			-	88
<i>United States Department of Agriculture (USDA):</i>				
Technical Agricultural Assistance:				
Accelerating Agriculture Biotechnology	10.960	FX23TA-10960C037 *	22	59
Food for Education:				
Passthrough Funds Received from World Vision, Inc.				
Partnering for Sustainable Education Outcomes (PARES) in Mozambique	10.608	FFE-656-2023-007-00	-	135
Total United States Department of Agriculture			22	194
<i>National Aeronautics and Space Administration (NASA):</i>				
Science:				
Passthrough Funds Received from University of Maryland				
NASA Harvest: NASA Food Security and Agriculture Consortium	43.001	125051-Z6521203	-	44
Total NASA			-	44
Total research and development cluster and expenditures of federal awards			\$ 842	\$ 4,168

* Amount represents direct award identifying number

See notes to schedule of expenditures of federal awards.

International Food Policy Research Institute

Notes to Schedule of Expenditures of Federal Awards (In U.S. dollar thousands)

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of International Food Policy Research Institute (IFPRI) under programs of the federal government for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of IFPRI, it is not intended to and does not present the financial position, changes in net assets or cash flows of IFPRI.

The schedule of indirect costs presents the actual indirect cost rates and the detail of expenses included in the calculation of the indirect cost rates.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenses are not allowable or are limited as to reimbursement. Moreover, expenses include a portion of costs associated with general activities (indirect costs), which are allocated to federal awards under negotiated formulas referred to as indirect costs rates. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

Grants and contracts allow for a provisional general and administrative rate to be used in applying for advance draw-downs of federal funds and billings to federal agencies during the year. The provisional general and administrative rate and subcontractor administration rate for the year ended December 31, 2025, was 18.50% and 2.50%, respectively. IFPRI has a Negotiated Indirect Cost Rate Agreement (NICRA) and did not elect the de minimis indirect cost rate.

General and administrative expenses are allocated to grants during the year and are included in the financial statements and accompanying schedules at year-end, based on the actual rate in addition to direct costs less certain specific exclusions based on grant terms and provisions. The actual general and administrative rate and subcontractor administration rate for the year ended December 31, 2025, was 17.08% and 2.00%, respectively.

The provisional rates are subject to adjustment, based on final rates and as agreed upon by the federal oversight agency.

International Food Policy Research Institute

Notes to Schedule of Expenditures of Federal Awards (In U.S. dollar thousands)

Note 4. Assistance Listings

As a research institute, all of IFPRI's federal awards have been attributed to the Research and Development Cluster. The following known assistance listings are included in IFPRI's Research and Development Cluster for the year ended December 31, 2025:

Agency	Federal Assistance Listing Number	Assistance Listing Name	Provided to Subrecipients	Total Federal Expenditures
Year Ended December 31, 2025				
USAID	98.001	USAID Foreign Assistance for Programs Overseas	\$ 656	\$ 2,355
USAID	98.007	Food for Peace Development Assistance Program (DAP)	-	2
USAID	98.008	Food for Peace Emergency Program (EP)	8	786
USAID	98.U01	Unknown	156	699
MCC	85.002	MCC Foreign Assistance for Overseas Programs	-	24
MCC	85.U01	Unknown	-	64
USDA	10.608	Food for Education	-	135
USDA	10.960	Technical Agricultural Assistance	22	59
NASA	43.001	Science	-	44
			<u>\$ 842</u>	<u>\$ 4,168</u>

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Audit & Risk Committee of the Board of Trustees
International Food Policy Research Institute

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of International Food Policy Research Institute (IFPRI), which comprise IFPRI's statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered IFPRI's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of IFPRI's internal control. Accordingly, we do not express an opinion on the effectiveness of IFPRI's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of IFPRI's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether IFPRI's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of IFPRI's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IFPRI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Washington, D.C.
September 28, 2026

**Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Audit & Risk Committee of the Board of Trustees
International Food Policy Research Institute

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited International Food Policy Research Institute's (IFPRI) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of IFPRI's major federal programs for the year ended December 31, 2025. IFPRI's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, IFPRI complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of IFPRI and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of IFPRI's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to IFPRI's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on IFPRI's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about IFPRI's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 IFPRI's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of IFPRI's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of IFPRI's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RSM VS LLP

Washington, D.C.
September 28, 2026

International Food Policy Research Institute.

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2025**

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the
financial statements audited were prepared
in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

 Yes X No
 Yes X None Reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

 Yes X No
 Yes X None Reported

Type of auditor's report issued on compliance
for major federal programs:

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with 2 CFR 200.516(a)?

 Yes X No

Identification of major federal programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

Various (as listed in Note 4)

Research and Development Cluster

Dollar threshold used to distinguish between
Type A and Type B programs:

\$1,000,000

Auditee qualified as low-risk auditee?

 X Yes No

(Continued)

International Food Policy Research Institute.

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2025**

Section II. Financial Statement Findings

No matters to report.

Section III. Federal Awards Findings and Questioned Costs

No matters to report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED December 31, 2025

Identifying Number: 2024-001 Accounting and Audit Adjustments

Audit Finding: During the audit there were several financial statement areas including advances, prepaids and other assets, receivables, accounts payable, accrued expenses and revenue which has management journal entries provided after the initial trial balance received.

Corrective Action Taken: IFPRI initiated corrective actions during 2025 to strengthen its financial close, account-reconciliation, and review processes. These actions included recruiting permanent finance personnel, assigning responsibility for the preparation and review of balance-sheet account reconciliations, and updating relevant accounting procedures.

The permanent accounting team was fully staffed in January 2026, and the monthly reconciliation and review process was implemented with the onboarding of our new Controller in February 2026. These procedures are now part of IFPRI's current accounting and financial-close practices. Accordingly, IFPRI considers Finding 2024-001 corrected.

Status: Finding corrected.