

## **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*; and Schedule of  
Indirect Costs

December 31, 2024 and 2023  
(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, 2024 and 2023, 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, 2024 and 2023, 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 August 29, 2025, 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.  
August 29, 2025

**International Food Policy Research Institute**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**  
*(In U.S. Dollar Thousands)*

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents (Note 2(d))	\$ 23,712	\$ 14,434
Investments (Note 3)	60,739	69,157
Advances, prepaids and other assets, net (Note 4)	10,125	9,276
Receivable, net (Note 4)	28,244	24,450
Total current assets	<u>122,820</u>	<u>117,317</u>
Property and equipment, net (Note 5)	3,477	4,287
Right of use asset (Note 6)	18,849	22,562
Total assets	<u>\$ 145,146</u>	<u>\$ 144,166</u>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued expenses	15,974	\$ 8,770
Accrued vacation	5,200	4,476
Unexpended project funds	44,294	41,380
Amount held for HarvestPlus program (Note 2(h))	20,027	25,875
Total current liabilities	<u>85,495</u>	<u>80,501</u>
Lease Liability (Note 6)	27,275	32,530
Accrued postretirement benefits (Note 8)	4,637	4,854
Total liabilities	<u>117,407</u>	<u>117,885</u>
Net assets without donor restrictions (Note 2(b))		
Board designated	505	543
Undesignated	23,614	22,596
Other net assets	3,620	3,142
Total net assets without donor restrictions	<u>27,739</u>	<u>26,281</u>
Commitments and contingencies (Note 10)		
Total liabilities and net assets	<u>\$ 145,146</u>	<u>\$ 144,166</u>

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

**International Food Policy Research Institute**  
**Statements of Activities**  
**Years Ended December 31, 2024 and 2023**  
*(In U.S. Dollar Thousands)*

	<u>2024</u>	<u>2023</u>
Support and revenue:		
Grants and contracts	\$ 121,480	\$ 109,877
Investment income, net	2,554	2,002
Other Income	1,705	-
<b>Total support and revenue</b>	<u>125,739</u>	<u>111,879</u>
Expenses:		
Program expenses	108,474	97,375
Support and other expenses	16,285	14,160
<b>Total expenses</b>	<u>124,759</u>	<u>111,535</u>
Change in net assets without donor restrictions before other changes	<u>980</u>	<u>344</u>
Other changes:		
Unrealized gain	399	2,139
Postretirement related change	79	(623)
	<u>478</u>	<u>1,516</u>
<b>Change in net assets</b>	1,458	1,860
Net assets:		
Beginning	<u>26,281</u>	<u>24,421</u>
Ending	<u>\$ 27,739</u>	<u>\$ 26,281</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, 2024 and 2023**  
*(In U.S. Dollar Thousands)*

	2024				2023			
	Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total
Salaries and wages	\$ 32,521	\$ 4,550	\$ 60	\$ 37,131	\$ 30,883	\$ 4,493	\$ 59	\$ 35,435
Employee benefits	15,463	2,586	33	18,082	14,997	2,462	33	17,492
Professional services	623	1,100	-	1,723	366	1,130	-	1,496
Accounting fees	36	300	-	336	61	156	-	217
Legal fees	9	98	-	107	5	72	-	77
Office expenses	191	8	-	199	248	8	-	256
Information technology	742	515	-	1,257	623	514	-	1,137
Occupancy	3,212	1,642	-	4,854	2,893	1,642	-	4,535
Travel	3,025	97	19	3,141	2,847	107	14	2,968
Conferences, conventions, meetings	1,554	130	-	1,684	1,651	61	-	1,712
Insurance	14	303	-	317	34	451	-	485
Training and development	11	39	-	50	17	17	-	34
Depreciation	748	372	-	1,120	946	354	-	1,300
Bad debt expense	-	1,704	-	1,704	-	170	-	170
Other collaborators & subcontractors	47,808	492	-	48,300	38,421	453	-	38,874
CSP	-	1,441	-	1,441	-	1,359	-	1,359
Printing & publication	489	38	-	527	430	55	-	485
Equipment rental & maintenance	724	398	-	1,122	1,116	384	-	1,500
All other expenses	1,304	360	-	1,664	1,837	166	-	2,003
<b>Total</b>	<b>\$ 108,474</b>	<b>\$ 16,173</b>	<b>\$ 112</b>	<b>\$ 124,759</b>	<b>\$ 97,375</b>	<b>\$ 14,054</b>	<b>\$ 106</b>	<b>\$ 111,535</b>

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, 2024 and 2023**  
*(In U.S. Dollar Thousands)*

	<b>Board Designated</b>	<b>Undesignated</b>	<b>Other Net Assets</b>	<b>Total</b>
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	-	-
Landlord-financed property and equipment (Note 5(b))	-	-	-	-
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>
	<b>Board Designated</b>	<b>Undesignated</b>	<b>Other Net Assets</b>	<b>Total</b>
Balance at December 31, 2022	\$ 462	\$ 22,333	\$ 1,626	\$ 24,421
Net change in investment in property and equipment (Note 5(a))	(949)	949	-	-
Landlord-financed property and equipment (Note 5(b))	-	-	-	-
Amortization of landlord-financed property and equipment (Note 5(b))	1,030	(1,030)	-	-
Change in unrestricted net assets before other comprehensive income	-	344	-	344
Post-retirement related changes	-	-	(623)	(623)
Unrealized gain on investment	-	-	2,139	2,139
Balance at December 31, 2023	<u>\$ 543</u>	<u>\$ 22,596</u>	<u>\$ 3,142</u>	<u>\$ 26,281</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, 2024 and 2023**  
*(In U.S. Dollar Thousands)*

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Change in unrestricted net assets	\$ 1,458	\$ 1,860
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(1,331)	(2,817)
Depreciation and amortization	1,120	1,300
Provisions for uncollectible receivables	1,704	170
Amortization of right of use asset	3,713	3,517
(Increase) decrease in assets:		
Accounts receivable	(5,498)	5,829
Advances, prepaids and other assets	(849)	(1,285)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	7,204	(2,398)
Accrued vacation	724	453
Advance payment of CGIAR grant funds	-	(7,190)
Unexpended project funds	2,914	(8,733)
Amount held for HarvestPlus Program	(5,848)	(1,980)
Lease liability	(5,255)	(4,903)
Accrued postretirement benefits	(217)	309
	<u>(161)</u>	<u>(15,868)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(310)	(351)
Purchases of investments	(8,061)	(11,252)
Proceeds from sales of investments	<u>17,810</u>	<u>11,328</u>
	<u>9,439</u>	<u>(275)</u>
Net cash provided by (used in) investing activities		
	9,278	(16,143)
Net increase (decrease) in cash and cash equivalents		
Cash and cash equivalents, beginning of year	<u>14,434</u>	<u>30,577</u>
Cash and cash equivalents, end of year	<u>\$ 23,712</u>	<u>\$ 14,434</u>

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

**International Food Policy Research Institute**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**  
*(In U.S. Dollar Thousands)*

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**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 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.

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 was launched in January 2022 to channel CGIAR's collective research efforts toward 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 Mitigation; and 5) Environmental Health and Biodiversity.

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Initiatives concluded in 2024. On January 1, 2025, a new Portfolio was launched, comprising 8 Science Programs, 1 Scaling Program and 4 Accelerators. This Portfolio aims to raise the ambition for CGIAR science and innovations by bringing together and leveraging all of CGIAR’s work, across all Centers and all sources and types of funding. With a small number of entry points, the portfolio aims to make CGIAR’s offer easier to understand, communicate, engage with, and fund.

Funders to the CGIAR may channel funds through the CGIAR Fund’s “Windows”. Window 1 funding comprises unrestricted contributions from various funders; the System Council is responsible for setting priorities and determining the allocation of these funds to Programs. Funds through Window 2 are designated to specific Programs (or, in the past, CRPs – this window was discontinued during 2022-24 and reinstated in 2025). Funding through Window 3 is 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.

## **2. 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.

**International Food Policy Research Institute**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**  
*(In U.S. Dollar Thousands)*

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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 73 and 76 days of total net assets expenses for 2024 and 2023, respectively. The balances of \$23,614 and \$22,596 are presented as undesignated net assets at December 31, 2024 and 2023, 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, 2024 or 2023. 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, 2024.

**International Food Policy Research Institute**  
**Notes to Financial Statements**  
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**(In U.S. Dollar Thousands)**

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***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.

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, 2024 and 2023, IFPRI held \$21,149 and \$13,339, respectively in five accounts, in balances in excess of amounts covered by the Federal Deposit Insurance Company.

***e) Investments***

Investments consist of U.S. government and agency obligations, equity and fixed income mutual and exchange traded 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 Statements***

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, 2024 and 2023.

**International Food Policy Research Institute**  
**Notes to Financial Statements**  
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**(In U.S. Dollar Thousands)**

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***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 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, 2024 or 2023.

***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 statement 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)).

**International Food Policy Research Institute**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**  
*(In U.S. Dollar Thousands)*

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*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 statement of financial position as a 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 statement.

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 an incremental 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.

**International Food Policy Research Institute**  
**Notes to Financial Statements**  
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***(In U.S. Dollar Thousands)***

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***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.) 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.

***o) 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.

***o) Subsequent Events***

IFPRI has evaluated subsequent events through August 29, 2025, the date on which the financial statements were available to be issued.

**International Food Policy Research Institute**  
**Notes to Financial Statements**  
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**3. Investments and Fair Value Measurements**

Investments are comprised of the following at December 31:

	<u>2024</u>	<u>2023</u>
U.S. government and agency obligations	\$ 1,629	\$ 2,610
Corporate obligations	10,057	14,408
Mutual funds - equity	8,949	9,462
Mutual funds - fixed income	<u>40,104</u>	<u>42,677</u>
Investments	<u>\$ 60,739</u>	<u>\$ 69,157</u>

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

	<u>2024</u>	<u>2023</u>
Realized gain	\$ 932	\$ 678
Interest and dividends	<u>1,889</u>	<u>1,595</u>
	2,821	2,273
Investment expenses	<u>(267)</u>	<u>(271)</u>
Investment income	<u>\$ 2,554</u>	<u>\$ 2,002</u>

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

The table below presents 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>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>\$ 60,739</u>	<u>\$ 49,053</u>	<u>\$ 11,686</u>
	<u>2023</u>	<u>Level 1</u>	<u>Level 2</u>
U.S. Government and agency obligations	\$ 2,610	\$ -	\$ 2,610
Corporate obligations	14,408	-	14,408
Mutual Funds - Equity	9,462	9,462	-
Mutual Funds - Fixed Income	<u>42,677</u>	<u>42,677</u>	<u>-</u>
	<u>\$ 69,157</u>	<u>\$ 52,139</u>	<u>\$ 17,018</u>

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 and exchange traded fund investments is based on quoted market prices and is considered Level 1 in the fair value hierarchy.

**International Food Policy Research Institute**  
**Notes to Financial Statements**  
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**4. Receivables, Net and Advances, Prepaids and Other Assets, Net**

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

	<u>2024</u>	<u>2023</u>
Restricted projects	\$ 31,745	\$ 26,247
	31,745	26,247
Less allowance for doubtful accounts	<u>(3,501)</u>	<u>(1,797)</u>
Receivable, net	<u>\$ 28,244</u>	<u>\$ 24,450</u>

Billed accounts receivable and unbilled accounts receivable on projects totaled \$5,906 and \$25,839 at December 31, 2024, respectively, compared to \$12,136 and \$14,111 at December 31, 2023, respectively.

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

	<u>2024</u>	<u>2023</u>
Advance to HarvestPlus partners	\$ 3,868	\$ 3,766
Other advances, prepaids and deposits	<u>6,607</u>	<u>5,860</u>
	10,475	9,626
Less allowance for doubtful accounts	<u>(350)</u>	<u>(350)</u>
Advances, prepaids and deposits, net	<u>\$ 10,125</u>	<u>\$ 9,276</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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**5. Property and Equipment**

*a) Property and equipment, net*

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

	<u>2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>2024</u>
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
	<u>15,962</u>	<u>310</u>	<u>-</u>	<u>16,272</u>
Accumulated depreciation:	<u>11,675</u>	<u>1,120</u>	<u>-</u>	<u>12,795</u>
Net book value	<u>\$ 4,287</u>	<u>\$ (810)</u>	<u>\$ -</u>	<u>\$ 3,477</u>
	<u>2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>2023</u>
Acquisition cost:				
Furnishing, computer and equipment	\$ 5,346	\$ 351	\$ -	\$ 5,697
Leasehold improvements	8,645	-	-	8,645
Vehicles	634	-	-	634
Software	986	-	-	986
	<u>15,611</u>	<u>351</u>	<u>-</u>	<u>15,962</u>
Accumulated depreciation:	<u>10,375</u>	<u>1,300</u>	<u>-</u>	<u>11,675</u>
Net book value	<u>\$ 5,236</u>	<u>\$ (949)</u>	<u>\$ -</u>	<u>\$ 4,287</u>

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**Notes to Financial Statements**  
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***b) Leasehold improvements***

IFPRI's lease agreement for a new headquarters office, effective May 2017, includes a \$10,703 allowance for renovation cost. Landlord-financed costs are included in property and equipment, with a corresponding entry to deferred rent. Since the amounts arise from the overall lease transaction and there is no net impact on cash and expenses, the net book value of landlord-financed assets is deducted in arriving at the adjusted net book value.

The 2024 net investment in properties and equipment's is computed as follows:

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>
Total net book value of property and equipment at December 31, 2023 (Note 5)	\$	4,287
Less landlord-financed assets:		
Cost of assets	\$	10,102
Accumulated amortization at December 31, 2023		<u>(6,358)</u>
Total net book value of landlord financed		<u>3,744</u>
Net investment in property and equipment at December 31, 2023	\$	<u>543</u>

**6. Leases**

IFPRI leases office space at its headquarters. The current headquarters lease ends in 2029. In addition, IFPRI has other office lease arrangements at several international locations.

The weighted-average discount rate of the office lease is 3.86%. The weighted-average remaining lease term is 4.33 years.

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

	<u>2024</u>	<u>2023</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>

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

Years Ending December 31:		
2025	\$	7,086
2026		7,048
2027		6,938
2028		7,087
2029		2,382
Future minimum lease payments		<u>30,541</u>
Less imputed interest		<u>3,266</u>
	\$	<u><u>27,275</u></u>

IFPRI adopted FASB ASC 842 effective January 1, 2022, requiring leases to be recognized on the balance sheet as a lease liability based on the present value of the remaining lease payments through the end of the lease period. A corresponding right of use (ROU) asset was recorded net of deferred rent as of December 31, 2024. The lease liability is amortized and expensed over the remaining lease term by applying IFPRI's incremental borrowing 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, 2024 and 2023, amounted to approximately \$6,077 and \$5,111, respectively.

**7. 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 \$5,693 and \$5,718 for the years ended December 31, 2024 and 2023, respectively. All plan participants are immediately vested in their contributions.

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**8. 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 plan's funded status recognized in the financial statements at December 31:

	<u>2024</u>	<u>2023</u>
Components of net periodic benefit cost:		
Service cost	\$ 323	\$ 262
Interest cost	249	246
Amortization of unrecognized net gain	(637)	(758)
Net periodic cost	<u>\$ (65)</u>	<u>\$ (250)</u>

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

	<u>2024</u>	<u>2023</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 4,854	\$ 4,545
Service cost	323	262
Interest cost	249	246
Participant Contribution	(73)	(64)
Actuarial gain	(717)	(136)
Benefits paid	-	-
Benefit obligation at year-end	<u>4,637</u>	<u>4,854</u>
Funded status - liability	<u>4,637</u>	<u>4,854</u>
Accrued benefit cost	<u>\$ 4,637</u>	<u>\$ 4,854</u>

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

	<u>2024</u>	<u>2023</u>
Unrecognized gain	<u>\$ 3,988</u>	<u>\$ 3,909</u>

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

	<u>2024</u>	<u>2023</u>
Amortization of gain during the year		
Unrecognized net gain	<u>\$ 637</u>	<u>\$ 758</u>

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The accumulated postretirement benefits obligation was determined using a discount rate of 5.80% and 5.20% at December 31, 2024 and 2023, respectively. For the years ended December 31, 2024 and 2023, the health care cost trend rate was 6.50% and 6.25% respectively, grading down by 0.25% each year until 5% is reached for 2031 and thereafter.

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 \$124. Postretirement benefits expected to be paid for each of the next five years, and the aggregate for the succeeding five years, are as follows:

2025	\$	124
2026		179
2027		215
2028		225
2029		255
2030–2034		1,779

## **9. 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 balance sheet date, comprise the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 23,712	\$ 14,434
Receivables, net	28,244	24,450
Operating investments	60,739	69,157
	<u>\$ 112,695</u>	<u>\$ 108,041</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.

**International Food Policy Research Institute**  
**Notes to Financial Statements**  
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**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 deferred revenue until earned. Grant costs incurred in excess of funds received are recorded as accounts receivable. As of December 31, 2024, the following are conditional grants by funder:

Funder	Total Conditional Grant	Amount Earned Through 2024	Amount of Conditional Grant Left to Earn
Cash grants from U.S. Government	\$ 130,353	\$ 102,988	\$ 27,365
Cash grants from Other Donors	561,256	267,695	293,560
	<u>\$ 691,608</u>	<u>\$ 370,683</u>	<u>\$ 320,925</u>

IFPRI has awarded conditional grants to subrecipients related to the performance of these projects. The outstanding commitment on these subrecipient agreements was \$4,264 as of December 31, 2024.

**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, 2024 and 2023, IFPRI provided \$80 and \$189 of services to HarvestPlus Solutions.

**12. Subsequent Event**

Subsequent to year-end, President Trump signed several executive orders (EOs) ordering the pause or termination of federal assistance for programs that do not align with the new administration's policies. The Administration has tasked federal departments with evaluating all federal programs they administer to determine if the funding being provided falls under any of the EOs. During the year ended December 31, 2024, IFPRI recognized federal grants and contracts totaling \$21,328 for which IFPRI had \$6,034 of outstanding federal receivables as of December 31, 2024. Subsequent to year end federal grants and contracts in the amount \$13,240 were terminated at August 29, 2025. These amounts are included within conditional grants footnote 10. IFPRI has not experienced any issues with the collectability of the receivables as a result of the EOs. As of the date of this report, the full impact of President Trump's EOs on the organization's financial position and results of operations is uncertain. Management is actively monitoring the situation and assessing the potential effects on the organization's financial statements.

# International Food Policy Research Institute

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2024 (In U.S. Dollar Thousands)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance		Provided to Subrecipients	Total Federal Expenditures
	Listing Number	Direct Award Contract/Grant or Pass-Through Entity Identifying Number		
Research and Development Cluster				
Food Policy Research Program				
<i>United States Agency for International Development (USAID):</i>				
Evaluating Impact and Building Capacity: An Egypt Strategy Support Program	98.U01	AID-263-IO-I 5-00001	\$ -	\$ 370
Myanmar Agriculture Policy Support Activity (MAPSA)	98.U01	7204-8221-IO-00002	539	2,753
<i>Passthrough Funds Received from Tufts University</i>				
Feed the Future (FF) Innovation Lab for Food Systems for Nutrition	98.U01	7200AA21LE00001	-	25
<i>Passthrough Funds Received from The International Potato Center</i>				
Socio-economic analysis of 3 R-gene LBR biotech potato in Africa and Asia	98.U01	7200AA21CA00018	-	48
Policy, Evidence, Analytics, Evidence, Research and Learning (PEARL)	98.001	720RFS22IO00003	4,692	12,491
<i>Passthrough Funds Received from Michigan State University</i>				
Feed the Future Policy Support for Economic Growth Activity in Nigeria (PSEG)	98.001	72062024LA00001	-	692
Designing and Implementing Evidence based Climate Change Mitigation and Adaptation Strategies in Tajikistan	98.001	7200AA19LE00001	-	73
Aflatoxin M1 Health Risks vs. Benefits of Dairy Consumption in Ethiopian Children: An Epidemiological Trial and Risk-Benefit Analysis	98.001	SUB00003187	-	35
Feed the Future Innovation Lab for Food Security Policy Research, Capacity and Influence	98.001	7200AA19LE00001	-	455
<i>Passthrough Funds Received from Save the Children Federation, Inc.</i>				
Implementer-Led Evaluation and Learning (IMPEL)	98.001	72DFFP19LA00003	-	223
<i>Passthrough Funds Received from The International Maize and Wheat Improvement Center</i>				
Russia-Ukraine crisis response: Building food system resilience to global supply chain and climate shocks in Nepal	98.001	AID367G1000002	122	541
Sustainable Agrifood Systems Approach for Sudan (SASAS)	98.001	AID367G1000002	-	473
<i>Passthrough Funds Received from World Vision, Inc.</i>				
Building Pathway Out of Poverty for Ultra-poor IDP's and Vulnerable Host Communities in Baidoa	98.001	720BHA22CA00002	-	183
<i>Passthrough Funds Received from Cornell University</i>				
Building Resilience Through Social Protection	98.001	7200AA19LE00004	-	32
<i>Passthrough Funds Received from The University of Nebraska</i>				
Feed the Future Innovation Lab for Small-Scale Irrigation and Mechanization	98.001	7200AA23LE00005	-	126
<i>Passthrough Funds Received from Abt Global LLC</i>				
USAID Comprehensive Action for Climate Change Initiative (CACCI)	98.001	7200AA23LE00001	-	126
<i>Passthrough Funds Received from The University of Arizona</i>				
Feed the Future Innovation Lab for markets, Risk and Resilience (MRR IL)	98.001	7200AA19LE00004	25	93
<i>Passthrough Funds Received from DAI Global, LLC</i>				
Implementation of the 2023 and 2024 ICTforAg Conferences	98.001	AID-OAA-A-17-00033	-	107
<i>Passthrough Funds Received from Cooperative for Assistance and Relief Everywhere, Inc.</i>				
TITUKULANE Malawi DFSA	98.007	72DFFPI 9CA00004	-	478
<i>Passthrough Funds Received from World Vision, Inc.</i>				
Strengthen PSNP Institutions and Resilience II (SPIR II)	98.008	720BHA21CA00036	51	1,144
Total United States Agency for International Development			5,429	20,468

(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance		Provided to Subrecipients	Total Federal Expenditures
	Listing Number	Direct Award Contract/Grant or Pass-Through Entity Identifying Number		
<i>Millenium Challenge Corporation (MCC):</i>				
Advisory Services – Program Management for Development and Implementation within the Agricultural Sector	85.U01	95332418T0015	\$ -	\$ 87
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	-	106
Total Millenium Challenge Corporation			-	193
<i>United States Department of Agriculture (USDA):</i>				
Accelerating Agriculture Biotechnology	10.960	FX23TA-10960C037	12	64
<i>Passthrough Funds Received from World Vision, Inc.</i>				
Educating Children Together (ECT III)	10.608	FFE-656-2019/018-00	-	201
<i>Passthrough Funds Received from World Vision, Inc.</i>				
Partnering for Sustainable Education Outcomes (PARES) in Mozambique	10.608	FFE-656-2023-007-00	-	275
Total United States Department of Agriculture			12	540
<i>National Science Foundation (NSF):</i>				
<i>Improving the Regional Few System Sustainability Over the Southeast US and North China Plain: A Cross-Regional Synthesis Considering Uncertainties in Climate and Regional Development (Few System Sustainability)</i>	47.083	1804672	-	13
Total National Science Foundation			-	13
<i>National Aeronautics and Space Administration (NASA):</i>				
<i>Passthrough Funds Received from University of Maryland</i>				
NASA Harvest: NASA Food Security and Agriculture Consortium	43.001	125051-Z6521203	-	114
Total NASA			-	114
Total research and development cluster and expenditures of federal awards			\$ 5,441	\$ 21,328

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)

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#### **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, 2024. 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.

#### **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, 2024, was 18.50% and 2.50%, respectively. IFPRI has a Negotiated Indirect Cost Rate Agreement (NICRA) and did not elect the 10% de minimis indirect cost rate.

General and administrative expenses are allocated to grants during the year and are included in the basic 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, 2024, 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)**

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**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, 2024:

Agency	Federal Assistance Listing Number	Assistance Listing Name	Amount
Year Ended December 31, 2024			
USAID	98.001	USAID Foreign Assistance for Programs Overseas	\$ 15,650
USAID	98.007	Food for Peace Development Assistance Program (DAP)	478
USAID	98.008	Food for Peace Emergency Program (EP)	1,144
USAID	98.U01	Unkown	3,196
MCC	85.002	MCC Foreign Assistance for Overseas Programs	106
MCC	85.U01	Unkown	87
USDA	10.608	Food for Education	476
USDA	10.960	Technical Agricultural Assistance	64
NSF	47.083	Integrative Activities	13
NASA	43.001	Science	114
			<u>\$ 21,328</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, 2024, 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 August 29, 2025.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

**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*.

**IFPRI's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on IFPRI's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. IFPRI's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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.  
August 29, 2025

**Report on Compliance for Each Major Federal Program;  
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, 2024. IFPRI's major federal program is 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, 2024.

***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 US LLP*

Washington, D.C.  
August 29, 2025



**International Food Policy Research Institute.**

**Schedule of Findings and Questioned Costs  
Year Ended September 30, 2024**

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**Section II. Financial Statement Findings**

**Finding 2024-001: Accounting and Audit Adjustments**

**Criteria:** In accordance with 2 CFR 200.508, the auditee must prepare appropriate financial statements. Management has elected to follow generally accepted accounting principles in the United States of America (GAAP).

**Condition:** Our audit procedures resulted in various audit adjustments whose aggregate amounts had a material impact on the GAAP-basis financial statements of IFPRI.

**Cause:** There was a turnover in accounting resulting in delays in reconciliations.

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

**Recommendation:** We recommend that management review journal entries posted and account reconciliations against generally accepted accounting principles to ensure proper accounting.

**Views of responsible officials:** Management agrees with the finding. See corrective action plan

**Section III. Federal Awards Findings and Questioned Costs**

No matters to report.

**INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED December 31, 2024**

Identifying Number: 2023-001: Procurement, Suspension and Debarment

Audit Finding: IFPRI did not follow its suspension and debarment policy for one vendor by not properly documenting that this vendor went through suspension and debarment within the Lexis Nexis Bridger Insight XG tool at the time of the awarding of the contract.

Corrective Action Taken: IFPRI has a Sanction Compliance Program in place. As standard practice, all partners/vendors, prospective new hires, and other parties including the owner(s) of partner organizations must be screened using the Lexis Nexis Bridger Insight XG5 application (XG5). This is a fully integrated compliance tool that allows users to screen names of individuals and businesses/organizations against various screening lists (watchlists) preloaded and updated in the system. Currently, IFPRI subscribes to the following watchlists through XG5: EPLS, EU Consolidated List, HM Treasury Sanctions, OFAC Non-SDN Entities, OFAC Sanctions, OFAC SDN, OSFI Consolidated List, UK HM Treasury List, UN Consolidated List, and World Bank Ineligible Firms.

Status: Finding corrected.

## **Corrective Action Plan Year Ended December 31, 2024**

### **Finding 2024-001: Accounting and Audit Adjustments**

Name of Responsible Official: Sushant Mukherjee

#### **Finding Summary:**

RSM has flagged a financial statement finding (2024-001) related to several financial statement areas which had management journal entries provided after the initial trial balance was received.

The missed processing of schedules stemmed from a knowledge gap and operational disruption caused by significant staff turnover within the finance department during FY2024. Key personnel departures, combined with reliance on interim staff and temporary personnel, resulted in:

- Incomplete handover of critical responsibilities.
- Lack of continuity in understanding and executing entity-specific financial processes.
- Inadvertent omission of one of two required field expense reports (due to the dual-entity setup in QuickBooks for IFPRI and HarvestPlus).

Despite these challenges, all missing entries were identified, booked, and reconciled by IFPRI prior to conclude FY2024 audit, without the need for proposed adjusting entries by RSM.

#### **Corrective Actions Taken:**

1. Recruitment of Permanent Finance Staff by the end of September 2025.
  - We have expedited hiring full-time, qualified finance personnel to restore capacity and institutional knowledge.

- Temporary staffing reliance will be phased out.
2. Enhanced Staff Training and Onboarding by December 2025.
    - A structured and role-specific training program has been introduced.
    - Process manuals and desktop procedures are underway of development and disseminate to all relevant staff.
  3. Formalized Knowledge Transfer Protocols on Going
    - A standardized onboarding and offboarding checklist are under preparation to ensure a proper handover of responsibilities.
    - Cross training among finance staff will begin to reduce single points of failure.
  4. Updated Project Accounting Guidelines
    - New internal guidance now mandates the verification of field expenses for both entities, with specific controls to ensure dual reporting from locations such as Bangladesh is complete.
  5. Strengthened Reconciliation Procedures reconcile all Balance Sheet account by July 2025 and monthly reconciliation to be completed by the end of the next month each month.
    - A full reconciliation of all balance sheet accounts is in progress and will be completed by July 31, 2025.
    - Ongoing monthly reconciliations will be finalized by the end of the subsequent month (e.g., July transactions reconciled by August 31).
    - Monthly review responsibilities have been assigned to ensure timely identification of discrepancies across entities and accounts.