

Hood & Strong

Advisory, Tax
and Assurance

Climate Policy Initiative, Inc.

December 31, 2024

Consolidated Financial Statements



Climate Policy Initiative, Inc.

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Independent Auditors' Report

THE BOARD OF DIRECTORS
CLIMATE POLICY INITIATIVE, INC.
San Francisco, California

Opinion

We have audited the consolidated financial statements of **CLIMATE POLICY INITIATIVE, INC. (CPI)** which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of CPI as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of CPI and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CPI's ability to continue as a going concern for one year from the date of this report.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CPI's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CPI'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.

Report on Summarized Comparative Information

We have previously audited CPI's December 31, 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 26, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
September 16, 2025

Climate Policy Initiative, Inc.

Consolidated Statement of Financial Position

<i>December 31, 2024 (with comparative totals for 2023)</i>	2024	2023
Assets		
Cash and cash equivalents	\$ 28,837,958	\$ 20,131,946
Grants and accounts receivable	2,691,658	4,553,713
Investments	10,733,164	10,247,878
Prepaid expenses and other assets	361,813	419,177
Operating right-of-use lease assets	19,912	123,117
Fixed assets, net	19,131	32,383
Total assets	\$ 42,663,636	\$ 35,508,214
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 896,994	\$ 413,276
Payroll related accrued expenses	589,866	576,938
Operating lease liabilities	16,542	127,376
Refundable advances	43,673	43,673
Deferred revenue	4,915,015	783,222
Total liabilities	6,462,090	1,944,485
Net Assets:		
Without donor restrictions	25,161,970	21,298,980
With donor restrictions	11,039,576	12,264,749
Total net assets	36,201,546	33,563,729
Total liabilities and net assets	\$ 42,663,636	\$ 35,508,214

See accompanying notes to the consolidated financial statements.

Climate Policy Initiative, Inc.

Consolidated Statement of Activities and Changes in Net Assets

Year Ended December 31, 2024 (with comparative totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Contribution revenue	\$ 1,506,600	\$ 9,363,024	\$ 10,869,624	\$ 12,388,217
Domestic and foreign government grant revenue	2,494,060	6,665,007	9,159,067	5,146,390
Consulting revenue	3,348,130		3,348,130	4,149,652
Investment income, net	1,083,367		1,083,367	480,740
Other income	40,729		40,729	79,498
Net assets released from restrictions	17,253,204	(17,253,204)	-	-
Total revenue and support	25,726,090	(1,225,173)	24,500,917	22,244,497
Expenses:				
Program services	20,367,609		20,367,609	13,759,025
Management and general	894,428		894,428	558,379
Fundraising and development	326,526		326,526	292,036
Total expenses	21,588,563	-	21,588,563	14,609,440
Change in Net Assets Before Other Changes in Net Assets	4,137,527	(1,225,173)	2,912,354	7,635,057
Other Changes in Net Assets:				
Unrealized and realized (loss) gain on foreign currency exchange (Note 10)	(274,537)		(274,537)	502,551
Total other changes in net assets	(274,537)	-	(274,537)	502,551
Change in Net Assets	3,862,990	(1,225,173)	2,637,817	8,137,608
Net Assets, beginning of year	21,298,980	12,264,749	33,563,729	25,426,121
Net Assets, end of year	\$ 25,161,970	\$ 11,039,576	\$ 36,201,546	\$ 33,563,729

See accompanying notes to the consolidated financial statements.

Climate Policy Initiative, Inc.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2024 (with comparative totals for 2023)

	Program Services					Management and general	Fundraising and development	2024 Total	2023 Total
	Climate Finance			Brazil	Subtotal				
	U.S. and UK	India	Indonesia	Policy Center					
Salaries and benefits	\$ 7,922,394	\$ 1,200,227	\$ 789,897	\$ 1,431,235	\$ 11,343,753	\$ 1,090,960	\$ 148,640	\$ 12,583,353	\$ 9,345,544
Professional services	2,180,171	2,142,107	171,540	1,047,660	5,541,478	392,759		5,934,237	3,425,579
Subcontract expenses				300,149	300,149			300,149	4,808
Travel and meetings	398,754	152,857	125,362	117,578	794,551	105,945		900,496	584,076
Rent					-	453,585		453,585	297,185
Office and telecommunications	337,011	38,214	30,446	28,245	433,916	464,140		898,056	501,023
Information technology	21,780		1,396	13,531	36,707	339,636		376,343	277,771
Publications and data	11,724	7,243	2,287	922	22,176	9,180		31,356	61,039
Depreciation and amortization					-	23,361		23,361	5,070
Taxes					-	87,627		87,627	107,345
Subtotal	10,871,834	3,540,648	1,120,928	2,939,320	18,472,730	2,967,193	148,640	21,588,563	14,609,440
Allocation of support costs:									
Salaries and benefits	282,218	26,051	29,088	28,988	366,345	(475,441)	109,096	-	-
Professional services	77,530	45,933	14,055	25,408	162,926	(184,727)	21,801	-	-
Subcontract expenses					-			-	-
Travel and meetings	68,158	3,943	1,053	1,994	75,148	(95,085)	19,937	-	-
Rent	290,906	64,083	27,870	51,287	434,146	(443,218)	9,072	-	-
Office and telecommunications	243,831	77,698	47,874	49,714	419,117	(430,121)	11,004	-	-
Information technology	232,350	42,476	14,591	32,203	321,620	(328,412)	6,792	-	-
Publications and data	2,539	656	4,293	1,692	9,180	(9,364)	184	-	-
Depreciation and amortization	2,107	11,842	4,821		18,770	(18,770)		-	-
Taxes		75,938	11,689		87,627	(87,627)		-	-
Subtotal - allocation of support costs	1,199,639	348,620	155,334	191,286	1,894,879	(2,072,765)	177,886	-	-
Total	\$ 12,071,473	\$ 3,889,268	\$ 1,276,262	\$ 3,130,606	\$ 20,367,609	\$ 894,428	\$ 326,526	\$ 21,588,563	\$ 14,609,440

See accompanying notes to the consolidated financial statements.

Climate Policy Initiative, Inc.

Consolidated Statement of Cash Flows

<i>Year Ended December 31, 2024 (with comparative totals for 2023)</i>	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	\$ 2,637,817	\$ 8,137,608
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	23,361	5,070
Unrealized loss (gain) on investments	42,138	(11,140)
Amortization of operating right-of-use leased assets	103,205	103,150
Changes in assets and liabilities:		
Grants and accounts receivable	1,862,055	(6,961)
Prepaid expenses and other assets	57,364	51,665
Accounts payable and accrued expenses	496,646	81,209
Operating lease liabilities	(110,834)	(98,891)
Refundable advances		(15,309)
Deferred revenue	4,131,793	(318,830)
Net cash provided by operating activities	9,243,545	7,927,571
Cash Flows from Investing Activities:		
Sales of investments	1,851,425	920,198
Purchases of investments	(2,378,849)	(4,122,335)
Purchases of fixed assets	(10,109)	(37,453)
Net cash used in investing activities	(537,533)	(3,239,590)
Change in Cash and Cash Equivalents	8,706,012	4,687,981
Cash and Cash Equivalents, beginning of year	20,131,946	15,443,965
Cash and Cash Equivalents, end of year	\$ 28,837,958	\$ 20,131,946
Non-Cash from Operating, Investing and Finance Activities		
Right-of-use asset financed by operating lease liability		\$ 42,005
Supplemental Disclosure of Cash Activities		
Cash paid under operating right-of-use leases	\$ 116,080	\$ 101,485

See accompanying notes to the consolidated financial statements.

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

Note 1 - Organization:

Climate Policy Initiative, Inc. (CPI), established in 2009, is a not-for-profit policy effectiveness analysis and advisory organization that assesses, diagnoses, and supports international efforts to achieve low carbon growth in both the developed and the developing world. Headquartered in San Francisco, CPI has offices in Washington, D.C., and London, United Kingdom, as well as affiliated offices in Rio de Janeiro, Brazil, New Delhi, India, and Jakarta, Indonesia.

CPI established the following entities to further its programmatic initiatives:

Climate Policy Initiative India Private Limited, an India-based corporation pursuant to sub-section (2) of the section 7 of the Companies Act, 2013 and rule 8 of the Companies Incorporation Rules, 2014. Climate Policy Initiative India Private Limited was established for operations in India and is solely owned by Climate Policy Initiative.

Climate Policy Foundation, an Indian nonprofit organization pursuant to sub-section (2) of the section 7 of the Companies Act, 2013 (18 of 2013) and rule 18 of the Companies (Incorporation) Rules, 2014. Climate Policy Foundation is currently inactive and is in the process of being dissolved.

Yayasan Cendikia Pereubahan Iklim Indonesia (CPI Indonesia), a foundation established under the laws of the Republic of Indonesia. CPI Indonesia was established for operations in Indonesia and CPI has both control and an economic interest in CPI Indonesia.

The accompanying consolidated financial statements include all the amounts and operations of Climate Policy Initiative, Climate Policy Initiative India Private Limited, Climate Policy Foundation, and CPI Indonesia (collectively CPI).

CPI's primary programs include:

Climate Finance

CPI's Climate Finance program is known for tracking sustainable investment trends, identifying innovative business models, and supporting the solutions that can drive a transition to a low carbon, climate resilient economy. CPI conducts the most comprehensive mapping of climate finance flows available and convenes public and private stakeholders to design and implement innovative financial instruments through The Global Innovation Lab for Climate Finance. CPI also works with governments, companies, investors, and foundations around the world to assess, test, and replicate their policies, programs, and investments. The work ensures that resources are spent as effectively as possible.

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

Brazil Policy Center

The Brazil Policy Center combines rigorous economic, institutional, and legal analysis to identify areas for improving public policies and provides concrete recommendations on how to reconcile economic development with environmental conservation. CPI works closely with government agencies and civil society to chart paths for improvement. CPI's Brazil Policy Center focuses on strategic areas, including Climate Law and Governance, Conservation, Energy, Financial Instruments, Infrastructure, and Sustainable Agriculture and is based out the Pontifical Catholic University of Rio de Janeiro (PUC-Rio).

Note 2 - Summary of Significant Accounting Policies:

Basis of Presentation and Description of Net Assets

The accompanying consolidated financial statements are presented on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). CPI reports information regarding its financial position and activities according to two classes of net assets:

Net Assets without donor restrictions – the portion of net assets not subject to time or donor-imposed restrictions which may be expended for any purpose in performing the primary objective of CPI.

Net Assets with donor restrictions – the portion of net assets the use of which by CPI is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of CPI.

Principles of Consolidation

All significant intercompany accounts and transactions have been eliminated in consolidation. Climate Policy Initiative India Private Limited has a fiscal year ending March 31st and CPI Indonesia has a fiscal year ending December 31st. These consolidated financial statements include activities for Climate Policy Initiative India Private Limited and CPI Indonesia for the twelve months ended December 31, 2024 and 2023.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking and interest-bearing savings accounts. At December 31, 2024 and 2023, CPI held \$1,058,242 and \$0, respectively, in cash restricted for the use of the Norwegian Ministry of Foreign Affairs grants.

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

Grants and Accounts Receivable

Grants and accounts receivable consist primarily of commitments made by governmental entities, nonprofits and foundations. Long-term receivables are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using market rates applicable in the year in which those promises are received.

Investments

Investments include certificates of deposits recorded at cost and other investments reported at fair value. Changes in fair values as well as realized gains and losses are reflected in the Consolidated Statement of Activities and Changes in Net Assets. Dividend and interest income are accrued when earned. Fair values are generally provided by using quoted market prices.

Leases

CPI determines whether an arrangement is or includes a lease and categorizes leases as either operating or finance leases at their commencement. Operating right-of-use lease assets represent CPI's right to use an underlying asset during the lease term and operating lease liabilities represent CPI's obligation to make payments arising from those leases. Operating lease assets and operating lease liabilities are included on the Statement of Financial Position. CPI does not have any financing leases.

Operating right-of-use lease assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The discount rate used to derive the present value is based on the rate implicit in the lease, or, in the absence of a rate implicit in the lease, a risk-free rate which is aligned with the lease term at the lease commencement date. CPI accounts for lease and non-lease components as a single lease component. Renewal periods are included in calculating the right-of-use assets and liabilities when they are reasonably certain of exercise. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. CPI made an accounting policy election not to recognize lease assets and liabilities for leases with a term of 12 months or less.

Fair Value Measurements

CPI carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. CPI classifies its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar securities and quoted prices in inactive markets.

Level 3 - Inputs are unobservable and reflect CPI's determination of assumptions that market participants might reasonably use in valuing the securities.

Fixed Assets

Furniture, equipment, software, and leasehold improvements are stated at cost less accumulated depreciation and amortization. Assets with an acquisition value greater than \$5,000 are capitalized. Items purchased which do not meet this criterion are expensed.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally between three and five years. Leasehold improvements are amortized over the shorter of the remaining term of the lease or the useful life of the improvements.

Revenue Recognition

Grants and contributions are recognized as revenue when received or unconditionally promised. CPI reports contributions as increases in net assets with donor restrictions if such grants and contributions are received with donor stipulations that limit the use or timing of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

CPI uses the allowance method to account for uncollectible contributions. The reserve against contributions receivable is based on historical experience and an evaluation of the outstanding receivables at year end. Management has determined that an allowance for uncollectible receivables was not necessary at December 31, 2024 and 2023.

Contract revenue primarily represents earnings on professional service contracts and is recognized when CPI incurs the expenditures related to the required services and as performance obligations are satisfied. Amounts billed or received in advance are recorded as deferred revenue until the related services are performed.

The following table provides information about significant changes in deferred revenue for the year ended December 31, 2024:

Deferred revenue, beginning of year	\$ 783,222
Revenue recognized	(211,755)
Increase due to cash received	4,343,548
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Deferred revenue, end of year	\$ 4,915,015

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

Functional Expense

The costs of providing various programs and activities have been summarized on a functional basis in the Consolidated Statement of Activities and Changes in Net Assets. Expenses such as salaries, benefits, and office supplies are allocated among program, general and administrative, and fundraising based on timekeeping records and on estimates made by CPI's management. Operational and depreciation expenses have been allocated on the basis of square footage.

Tax Status

CPI is recognized by the Internal Revenue Service as an organization exempt from income taxes on related activities under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code.

Climate Policy Initiative India Private Limited is a taxable entity in India. Any tax liabilities are accounted for in the consolidated financial statements. There was no liability for taxes at December 31, 2024.

CPI Indonesia is a nonprofit foundation established under the laws of the Republic of Indonesia. CPI Indonesia is subject to income tax on profits derived from consulting service income. In 2024, there was no liability arising from profits on services and no liability for taxes at December 31, 2024.

As of December 31, 2024, management has evaluated CPI's tax positions and concluded that CPI had maintained its tax-exempt status and has no uncertain tax positions that require adjustment to the consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Information and Reclassifications

The consolidated financial statements include certain comparative prior year information which is presented in total but not by net asset class. Accordingly, such information should be read in conjunction with CPI's consolidated financial statements for the year ended December 31, 2023, from which the summarized information is derived.

Certain reclassifications have been made to the 2023 consolidated financial statements in order to conform to the 2024 presentation. These reclassifications had no effect on net assets or changes in net assets.

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

Subsequent Events

CPI evaluated subsequent events with respect to the consolidated financial statements for the year ended December 31, 2024 through September 16, 2025, the date the consolidated financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying consolidated financial statements nor have any subsequent events occurred, the nature of which would require disclosure, with the exception of Note 3.

Note 3 - Grants and Accounts Receivable:

Grants and accounts receivable are expected to be received as follows as of December 31, 2024:

Year Ending December 31,	
2025	\$ 2,562,452
2026	129,206
	<hr/>
	\$ 2,691,658

CPI recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

The following is a roll-forward of conditional grants, for which future payments are contingent upon meeting specific milestones and incurring expenses related to the projects, therefore they are not recognized in the consolidated financial statements:

Balance as of December 31, 2023	\$ 20,687,094
Conditional grants received during 2024	14,683,316
Revenue recognized for conditions met during 2024	(14,199,874)
	<hr/>
Balance as of December 31, 2024	\$ 21,170,536

The conditional grants balance at December 31, 2024 includes approximately \$4,200,000 in amounts received during the year and included in deferred revenue.

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

A portion of CPI's revenue is derived from cost-reimbursable U.S. federal contracts and grants, which are conditioned upon certain performance requirements and/or incurring qualifying expenses. Amounts received are recognized as revenue when CPI had incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the Statement of Financial Position. Amounts earned as of December 31, 2024 are included in grants and accounts receivable. CPI has been awarded a cost reimbursable grant of approximately \$2,817,000 that was not recognized at December 31, 2024 because qualifying expenditures had not yet been incurred. Subsequent to year-end, CPI received notification that the grant and related project have been cancelled with no future funding to be received.

Note 4 - Investments and Fair Value Measurement:

Investments

Investments, measured at cost and fair value, consisted of the following at December 31:

	2024	2023
Cash and cash equivalents	\$ 1,012,134	\$ 5,375,875
Certificate of deposit	6,528,011	2,776,123
Fixed income:		
U.S. Treasury bonds and notes	2,636,320	1,612,190
Corporate and foreign bonds	556,699	483,690
Total investments	\$ 10,733,164	\$ 10,247,878

Fair Value Measurement

Investments in U.S. Treasury notes and bonds are valued under the fair value hierarchy using Level 1 inputs. CPI's investments in corporate and foreign bonds are classified as Level 2 under the fair value hierarchy. Certificates of deposit are not subject to fair value measurements as they do not meet the definition of a security.

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

Note 5 - Net Assets With Donor Restrictions:

Net assets with donor restrictions were comprised of the following as of December 31:

	2024	2023
Climate Finance - India	\$ 2,643,422	\$ 4,192,300
Climate Finance - US and UK	5,629,710	5,418,494
Brazil Policy Center	1,574,513	1,785,187
Climate Finance - Indonesia	1,191,931	868,768
Total	\$ 11,039,576	\$ 12,264,749

Net assets were released from restrictions as follows during the years ended December 31:

	2024	2023
Climate Finance - India	\$ 3,693,203	\$ 4,295,043
Climate Finance - US and UK	9,393,721	4,832,121
Brazil Policy Center	3,655,174	2,310,985
Climate Finance - Indonesia	511,106	733,812
Total	\$ 17,253,204	\$ 12,171,961

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

Note 6 - Availability of Financial Assets and Liquidity:

CPI's financial assets available for general expenditures within one year of the Consolidated Statement of Financial Position date were as follows:

Financial assets at year end:	
Cash and cash equivalents	\$ 28,837,958
Grants and accounts receivable	2,691,658
Investments	10,733,164
<hr/>	
Total financial assets	42,262,780
Less amounts not available to be used within one year:	
Net assets with donor restrictions, including long-term receivables	(11,039,576)
Add amounts available to be used within one year:	
Net assets with donor restrictions to be met in less than a year	3,574,714
<hr/>	
Financial assets available to meet general expenditures within one year	\$ 34,797,918

As part of its liquidity plan, CPI invests excess cash in short-term investments, including certificates of deposit, U.S. Treasury bonds and notes, and corporate and foreign bonds as disclosed in Note 4.

Note 7 - Operating Leases:

CPI leases its office space and office equipment under non-cancelable operating lease agreements that expire in various periods through 2025.

Maturities of the operating lease liabilities are as follows:

Year Ending December 31,	
2025	\$ 20,793
<hr/>	
Total lease payments	20,793
Less discount to present value	(4,251)
<hr/>	
Present value of lease liabilities	\$ 16,542

The weighted average remaining lease term as of December 31, 2024 was approximately 1 year. The weighted average discount rate as of December 31, 2024 was approximately 5.6%.

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

Rent expense for the years ended December 31, 2024 and 2023 was \$453,585 and \$297,185, respectively.

Note 8 - Employee Benefit Plan:

CPI maintains a defined contribution retirement plan for all eligible employees. CPI matches employee contributions up to a maximum of six percent of gross earnings, which vests immediately. Total contribution from CPI for the years ended December 31, 2024 and 2023 were \$352,735 and \$302,073, respectively.

Note 9 - Concentration of Credit Risk:

CPI has identified its financial instruments which are potentially subject to credit risk. These financial instruments consist principally of cash and contributions receivable. As of December 31, 2024, CPI had balances in various operating bank accounts in excess of federally insured limits of approximately \$21,111,000, approximately \$5,613,000 in excess of UK Financial Services Compensation Scheme insurance, approximately \$525,000 in excess of Deposit Insurance and Credit Guarantee Corporation in India, and approximately \$522,000 in excess of Indonesia Deposit Insurance Corporation.

A high concentration of CPI's revenue is derived from grant income. As of December 31, 2024, two grantors represented approximately 36% of grants and accounts receivable.

Note 10 - Foreign Currency Exchange:

CPI has three foreign offices and one foreign-based affiliate, the financial records of which are kept in the local currencies. Their statement of financial position accounts are translated at the exchange rates existing at the statement of financial position date, and their statement of activities and changes in net assets accounts are translated at the average exchange rate for the year. Total unrealized and realized gains or losses on foreign currency exchange of \$274,537 in losses for 2024 and \$502,551 in gains for 2023.

Note 11 - Affiliated Organization:

As of January 2011, CPI entered into a partnership with Pontificia Universidade Catolica de Rio de Janeiro to create a research group called Climate Policy Initiative Rio de Janeiro (CPI Rio de Janeiro). The focus of the research group is the analysis of regulatory and financing policies related to climate protection and low carbon development in Brazil. CPI, through a cooperation agreement with Pontificia Universidade Catolica provides funding to cover the activities of CPI Rio de Janeiro. Total funding provided to CPI Rio de Janeiro was approximately \$734,000 and \$1,026,000 during 2024 and 2023, respectively. The expenses are a component of the Consolidated Statement of Functional Expenses.

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

Note 12 - Stichting IKEA Foundation Grant:

On August 12, 2022, CPI entered into a grant with the Stichting IKEA Foundation with Grant Reference Number: G-2112-02076. The grant funds a CPI project on an India PURE Finance Facility (IPFF), a private sector-led project preparatory facility managed by CPI supporting promising productive use of renewable energy (PURE) applications in India, that seek to simultaneously address challenges in carbon emissions, energy security and livelihood generation.

For the year ended December 31, 2024, the activity of the project was as follows:

Grant commitment by Stichting IKEA Foundation	\$ 1,500,093
Payments received from July 1, 2022 to December 31, 2024	(1,500,093)
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Balance remaining on grant commitment as of December 31, 2024	\$ -
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Expenses:	
Personnel	170,405
Professional Fees	557,482
Travel	5,779
Outreach & events/workshops	3,003
Website development costs	2,265
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Total direct costs	738,934
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Overhead (15%)	110,840
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Total expenses	\$ 849,774
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The expenses are a component of the Consolidated Statement of Functional Expenses.

Note 13 - United Kingdom Foreign, Commonwealth & Development Office Grant:

On March 30, 2023, CPI entered into a grant with the United Kingdom's Foreign, Commonwealth & Development Office (FCDO) with Grant Project Number: 301554. The grant funds a CPI project on rapidly scaling-up the finance needed to shift to low-carbon, climate-resilient and nature-positive agriculture and food systems globally. An amendment was signed during 2024 to increase total funding on the project with no changes to the project period.

Climate Policy Initiative, Inc.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024, the activity of the project was as follows:

	GBP	USD
Grant commitment by FCDO	£ 8,250,000	\$ 10,559,965
Payments received from April 1, 2023 to December 31, 2024	(2,588,686)	(3,313,507)
Balance remaining on grant commitment as of December 31, 2024	£ 5,661,314	\$ 7,246,458
Expenses:		
Personnel	£ 1,343,969	\$ 1,716,436
Consultants	205,002	261,816
Travel	30,953	39,531
Events Cost	12,600	16,092
Internet Technology	40,407	51,606
Office Costs	33,457	42,730
Total direct costs	1,666,388	2,128,211
Overhead (5.3%)	88,319	112,795
Total expenses	£ 1,754,707	\$ 2,241,006

The expenses are a component of the Consolidated Statement of Functional Expenses.