Rocky Mountain Institute

Independent Auditor's Reports and Consolidated Financial Statements

June 30, 2026 and 2025

Rocky Mountain Institute
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June 30, 2026 and 2025

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Independent Auditor's Report

Board of Trustees
Rocky Mountain Institute
Basalt, Colorado

Opinion

We have audited the consolidated financial statements of Rocky Mountain Institute (the Organization), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2026 and 2025, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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 audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules are presented for purposes of additional analysis and are 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Forvis Mazars, LLP

Denver, Colorado
October 23, 2026

Rocky Mountain Institute
Consolidated Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
ASSETS		
Current Assets		
Cash and cash equivalents	$ 16,622,841	$ 18,669,987
Investments	68,553,675	58,480,764
Accounts and grants receivable	4,482,743	9,372,367
Short-term pledges receivable	28,682,032	26,741,593
Prepaid expenses and other current assets	4,187,742	3,967,509
Total Current Assets	122,529,033	117,232,220
Property and Equipment, Net	13,265,972	13,801,204
Right of Use Assets - Operating Leases	7,705,451	8,704,454
Crypto Assets	4,274	9,379
Notes Receivable	5,747,725	4,906,740
Pledges Receivable, Net of Current Portion	3,567,346	2,123,276
Investments Restricted for the Innovation Center	734,369	668,192
Beneficial Interest in Assets Held by The Denver Foundation	575,874	542,031
Equity Method Investment	1,245,019	1,522,406
Simple Agreement for Future Equity	450,000	-
Deposits and Other Assets	588,275	631,457
Total Noncurrent Assets	33,884,305	32,909,139
Total Assets	$ 156,413,338	$ 150,141,359

Rocky Mountain Institute
Consolidated Statements of Financial Position
June 30, 2026 and 2025 **(Continued)**

	2026	2025
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 2,233,196	$ 4,062,433
Accrued salaries and benefits	12,585,021	10,649,963
Deferred revenue	1,151,284	1,982,329
Current portion of operating lease liabilities	1,776,532	2,197,386
Other accrued expenses	839,102	1,339,714
Total Current Liabilities	18,585,135	20,231,825
Notes Payable, Net of Current Portion	2,466,920	1,732,146
Operating Lease Liabilities	6,309,295	6,834,666
Total Liabilities	27,361,350	28,798,637
Net Assets		
Without donor restrictions		
Net investment in lease and fixed assets	12,885,596	13,473,606
Undesignated	33,944,855	21,125,230
	46,830,451	34,598,836
With donor restrictions	82,221,537	86,743,886
Total Net Assets	129,051,988	121,342,722
Total Liabilities and Net Assets	$ 156,413,338	$ 150,141,359

Rocky Mountain Institute
Consolidated Statement of Activities
Year Ended June 30, 2026

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Foundation, individual and corporate contributions	$ 30,875,006	$ 97,513,494	$ 128,388,500
Contributions of nonfinancial assets	2,024,558	-	2,024,558
Government and multilateral grants	4,789,168	1,126,555	5,915,723
Earned revenue	12,630,241	-	12,630,241
Event revenue	74,875	-	74,875
Net realized and unrealized gain on investments	1,885,813	52,569	1,938,382
Interest and dividends	3,033,410	15,004	3,048,414
Change in beneficial interest in assets held by The Denver Foundation	-	60,248	60,248
Other	(213,177)	-	(213,177)
Net assets released from restrictions	103,290,219	(103,290,219)	-
Total Revenue, Gains, and Other Support	158,390,113	(4,522,349)	153,867,764
Expenses			
Program services	117,719,939	-	117,719,939
Management and general	20,323,805	-	20,323,805
Fundraising	8,114,754	-	8,114,754
Total Expenses	146,158,498	-	146,158,498
Change in Net Assets	12,231,615	(4,522,349)	7,709,266
Net Assets, Beginning of Year	34,598,836	86,743,886	121,342,722
Net Assets, End of Year	$ 46,830,451	$ 82,221,537	$ 129,051,988

Rocky Mountain Institute
Consolidated Statement of Activities
Year Ended June 30, 2025

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Foundation, individual and corporate contributions	$ 22,467,650	$ 116,971,927	$ 139,439,577
Contributions of nonfinancial assets	99,780	-	99,780
Government and multilateral grants	12,738,569	-	12,738,569
Earned revenue	19,657,496	-	19,657,496
Event revenue	36,835	-	36,835
Net realized and unrealized gain on investments	1,824,755	21,792	1,846,547
Interest and dividends	2,452,870	12,946	2,465,816
Change in beneficial interest in assets held by The Denver Foundation	-	39,051	39,051
Other	204,876	-	204,876
Net assets released from restrictions	97,732,734	(97,732,734)	-
Total Revenue, Gains, and Other Support	157,215,565	19,312,982	176,528,547
Expenses			
Program services	131,020,586	-	131,020,586
Management and general	19,970,282	-	19,970,282
Fundraising	7,967,541	-	7,967,541
Total Expenses	158,958,409	-	158,958,409
Change in Net Assets	(1,742,844)	19,312,982	17,570,138
Net Assets, Beginning of Year	36,341,680	67,430,904	103,772,584
Net Assets, End of Year	$ 34,598,836	$ 86,743,886	$ 121,342,722

Rocky Mountain Institute
Consolidated Statement of Functional Expenses
Year Ended June 30, 2026

	Program Services			Support Services		
	RMI Program Services	Communications	Total	Management and General	Fundraising	Total
Salaries	$ 62,807,960	$ 2,568,708	$ 65,376,668	$ 12,232,733	$ 5,569,927	$ 83,179,328
Benefits	15,601,515	626,163	16,227,678	2,578,804	1,249,328	20,055,810
Total salaries and related expenses	78,409,475	3,194,871	81,604,346	14,811,537	6,819,255	103,235,138
Consultants and contractors	16,811,119	145,983	16,957,102	2,466,090	288,281	19,711,473
Travel, meals, and meetings	2,826,106	103,221	2,929,327	334,231	164,230	3,427,788
Subcontract awards	5,277,471	162,000	5,439,471	-	1,500	5,440,971
Software	2,993,419	184,438	3,177,857	451,375	270,938	3,900,170
Rent	2,237,738	84,119	2,321,857	353,115	166,934	2,841,906
Memberships and subscriptions	1,693,054	265,731	1,958,785	173,980	68,497	2,201,262
Depreciation	901,493	33,888	935,381	142,256	67,251	1,144,888
Event expenses	826,869	13,326	840,195	22,620	66,246	929,061
Credit loss	246,707	-	246,707	1,066,891	-	1,313,598
Other operating expenses	288,950	33,690	322,640	123,618	49,489	495,747
Insurance	237,918	8,944	246,862	37,544	17,749	302,155
Foreign currency adjustment	253,362	4,287	257,649	14,983	7,709	280,341
Interest expense	-	-	-	234,773	-	234,773
Telephone	138,086	5,126	143,212	21,259	10,154	174,625
Office expenses	75,022	2,012	77,034	21,125	78,764	176,923
Repairs and maintenance	123,879	4,657	128,536	19,548	9,241	157,325
Computer expense	42,606	1,597	44,203	6,703	3,169	54,075
Shipping and postage	30,466	1,118	31,584	4,877	21,296	57,757
Utilities	23,714	891	24,605	3,742	1,769	30,116
Equipment leasing	30,587	1,150	31,737	4,827	2,282	38,846
Taxes expense	849	-	849	8,711	-	9,560
Total functional expenses	$ 113,468,890	$ 4,251,049	$ 117,719,939	$ 20,323,805	$ 8,114,754	$ 146,158,498

Rocky Mountain Institute
Consolidated Statement of Functional Expenses
Year Ended June 30, 2025

	Program Services			Support Services		
	RMI Program Services	Communications	Total	Management and General	Fundraising	Total
Salaries	$ 69,110,429	$ 3,292,966	$ 72,403,395	$ 11,725,807	$ 5,273,937	$ 89,403,139
Benefits	17,367,565	811,302	18,178,867	2,647,186	1,158,480	21,984,533
Total salaries and related expenses	86,477,994	4,104,268	90,582,262	14,372,993	6,432,417	111,387,672
Consultants and contractors	19,329,052	91,287	19,420,339	2,681,158	320,087	22,421,584
Travel, meals, and meetings	4,675,957	204,594	4,880,551	729,119	392,862	6,002,532
Subcontract awards	4,979,676	152,500	5,132,176	-	-	5,132,176
Software	3,005,563	215,514	3,221,077	443,420	233,065	3,897,562
Rent	2,527,518	112,295	2,639,813	342,238	162,088	3,144,139
Memberships and subscriptions	1,828,387	31,365	1,859,752	145,502	63,669	2,068,923
Depreciation	919,657	40,859	960,516	124,526	58,977	1,144,019
Event expenses	622,252	34,179	656,431	16,153	113,240	785,824
Credit loss	172,167	-	172,167	558,360	-	730,527
Other operating expenses	373,622	33,053	406,675	180,710	49,195	636,580
Insurance	256,653	11,403	268,056	34,752	16,459	319,267
Foreign currency adjustment	274,241	10,565	284,806	2,654	5,490	292,950
Interest expense	-	-	-	246,267	-	246,267
Telephone	180,877	7,964	188,841	24,072	11,405	224,318
Office expenses	64,248	6,060	70,308	21,625	69,748	161,681
Repairs and maintenance	112,114	4,981	117,095	15,181	7,190	139,466
Computer expense	80,365	3,531	83,896	13,457	5,581	102,934
Shipping and postage	37,377	1,898	39,275	5,205	23,832	68,312
Utilities	17,856	793	18,649	2,418	1,145	22,212
Equipment leasing	17,015	756	17,771	2,304	1,091	21,166
Taxes expense	130	-	130	8,168	-	8,298
Total functional expenses	$ 125,952,721	$ 5,067,865	$ 131,020,586	$ 19,970,282	$ 7,967,541	$ 158,958,409

See Notes to Consolidated Financial Statements

Rocky Mountain Institute
Consolidated Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities		
Change in net assets	$ 7,709,266	$ 17,570,138
Adjustments to reconcile change in net assets to net cash and cash equivalents		
Depreciation expense	1,144,888	1,144,019
Realized and unrealized gain on investments	(1,938,382)	(1,846,547)
Net change in beneficial interest in assets held by The Denver Foundation	(60,248)	(39,051)
Credit loss	1,313,598	730,527
Loss on disposal of property and equipment	177,978	-
Noncash operating lease expense	2,069,583	2,287,169
Changes in operating assets and liabilities that provided by (used in) cash and cash equivalents		
Accounts and grants receivable	3,835,068	14,987
Pledges receivable	(3,384,509)	(2,880,380)
Other current receivables, prepaid expenses and other assets, and deposits	(775,700)	186,586
Crypto assets	5,105	16,914
Accounts payable	(1,829,237)	(461,697)
Accrued salaries and benefits and other accrued expenses	1,434,446	(184,791)
Deferred revenue	(831,045)	(1,107,622)
Operating lease liability	(2,016,805)	(2,432,495)
Net Cash Provided by Operating Activities	6,854,006	12,997,757
Cash Flows from Investing Activities		
Purchases of investments	(22,442,595)	(41,963,376)
Sales of investments	14,095,681	24,875,670
Issuances of notes receivable	(501,378)	(500,000)
Purchases of property and equipment	(787,634)	(736,190)
Net Cash Used in Investing Activities	(9,635,926)	(18,323,896)
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt and notes payable	734,774	672,465
Payments on long-term debt	-	(5,200,119)
Draw on line of credit	-	10,000,000
Repayment on line of credit	-	(10,000,000)
Net Cash Provided by (Used in) Financing Activities	734,774	(4,527,654)

Rocky Mountain Institute
Consolidated Statements of Cash Flows
Years Ended June 30, 2026 and 2025 **(Continued)**

	2026	2025
Decrease in Cash and Cash Equivalents	$ (2,047,146)	$ (9,853,793)
Cash and Cash Equivalents, Beginning of Year	18,669,987	28,523,780
Cash and Cash Equivalents, End of Year	$ 16,622,841	$ 18,669,987
Supplemental Cash Flows Information		
Cash paid for interest	$ -	$ 94,822
Significant Noncash Transactions		
ROU assets obtained in exchange for new operating lease liabilities	$ 1,070,580	$ -
Reduction to estimated lease term and related operating lease asset/liability	$ -	$ 8,185,867
Conversion of accounts receivable to note receivable	$ -	$ 1,825,000

Note 1. Nature of Operations and Significant Accounting Policies

Nature of Operations

Rocky Mountain Institute (RMI) is an independent, nonpartisan nonprofit founded in 1982 that transforms global energy systems through market-driven solutions to secure a prosperous, resilient, clean energy future for all. In collaboration with businesses, policymakers, funders, communities, and other partners, RMI drives investment to scale clean energy solutions, reduce energy waste, and boost access to affordable clean energy in ways that enhance security, strengthen the economy, and improve people's livelihoods. RMI is active in over 50 countries.

Principles of Consolidation

In September 2014, RMI Innovation Center, LLC (RMIIC) was formed as a Colorado limited liability company and is a wholly-owned subsidiary of RMI. RMIIC was formed to construct and own Rocky Mountain Institute's Innovation Center (IC), which is a beyond-state-of-the-art office and convening center of 15,610 square feet along the banks of the Roaring Fork River in Basalt, Colorado. RMIIC is treated as a disregarded entity for federal tax purposes and its sole asset is the IC, which is included within RMI's section in the consolidating statements of financial position.

On April 21, 2015, Rocky Mountain Institute International (RMII) was formed as a Colorado nonprofit corporation whose sole member is RMI. RMII is a Section 509(a)(3) supporting organization of RMI and was established to support RMI's mission, including its international operations.

Effective January 1, 2018, RMI is duly registered to conduct activities in the People's Republic of China through its representative office (RO) pursuant to a Certificate of Authorization of Representative Office of Overseas Non-Governmental Organization, with the National Energy Administration serving as its Professional Supervisory Unit. The China RO is treated as a division within RMI and is not a separate legal entity. The China RO is the registered Chinese presence of RMI, rather than a subsidiary, affiliate, or separately incorporated Chinese entity. While the China RO maintains China-specific books/records, bank arrangements, personnel and regulatory filings as required under Chinese law, the China RO must operate within the purposes and activities of RMI and within the scope authorized by its Chinese registration.

In November 2023, RMI Innovations LLC was formed as a single member Colorado limited liability company and is a wholly-owned subsidiary of RMI. RMI Innovations LLC was formed, as needed, to further RMI's mission. RMI Innovations LLC is treated as a disregarded entity for federal tax purposes and all associated transactions are reflected within RMI's section in the consolidating financial statements.

Surge Protector, Inc. was formed as a Delaware general corporation on July 21, 2021 and is a wholly-owned subsidiary of RMI. Surge Protector was formed to accept profit from an exit event of JOLTSEED419 LLC (Joltseed). Joltseed is a special purpose vehicle that holds partner investments and distributes startup investments. Joltseed had no financial activity during 2026 or 2025.

The consolidated financial statements include the accounts of RMI, RMIIC, RMII and RMI Innovations LLC (collectively, the Organization). All material intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. Cash equivalents consist primarily of money market accounts with brokers.

At June 30, 2026, the Organization's cash accounts exceeded federally insured limits by approximately $475,000. In addition, the Organization holds cash in foreign bank accounts, which total approximately $3,350,000 at June 30, 2026.

Investments and Net Investment Return

The Organization measures securities, other than simple agreements for future equity or investments that qualify for the equity method of accounting, at fair value.

Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions.

The Organization maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

During the year ended June 30, 2025, the Organization acquired 50% of the outstanding ownership interest of Mark I, which was incorporated February 2025, in exchange for certain services provided. The Organization reports the investment using the equity method whereby the Organization's investment is adjusted for its proportionate share of Mark I's earnings or losses and distributions received. At June 30, 2026 and 2025, the Organization's carrying amount of the investment was $1,245,019 and $1,522,406, respectively.

Accounts and Grants Receivable

Accounts receivable are stated at the amount of consideration from customers of which the Organization has an unconditional right to receive plus any accrued and unpaid interest. The Organization provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts.

Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. The Organization had no allowance as of June 30, 2026 and 2025.

Support funded by grants is recognized as the Organization meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Property and Equipment

Property and equipment acquisitions over $10,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	40 years
Equipment and software	3 to 7 years
Furniture and fixtures	3 to 5 years

Crypto Assets

The Organization's crypto assets consist of energy web tokens (EWT) received as contributions or as payment for past services. EWT are accounted for in accordance with ASC 350-60, *Crypto Assets*, which requires that crypto assets, meeting certain criteria, be measured at fair value each reporting period with changes in fair value recognized as part of change in net assets. However, for crypto assets that do not meet all specific criteria, namely that they are not created or issued by the reporting entity or its related parties, these crypto assets will be recorded at cost and assessed periodically for impairment.

As founders of the Energy Web Foundation (EWF), the Organization was granted 5,000,000 EWT upon the launch of the genesis block on the Energy Web Chain in June 2019. The Organization met the related party definition of EWF at the time of EWT creation and, therefore, the Organization continues to report these founder tokens at cost, or $0 carrying value.

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended June 30, 2026 and 2025.

Notes Receivable

Notes receivable consist of various loans with the same, unrelated organization. The Organization provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts. The Organization considers the notes and related interest receivable fully collectible.

Deferred Revenue

Revenue from fees is deferred and recognized over the periods to which the revenues relate.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Some 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the Organization overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.*, the donor imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Contributions and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the funds are received are recorded as revenue with donor restrictions and then released from restriction.

Conditional grants are recorded as revenue without donor restrictions as the related conditions are satisfied (*i.e.*, incurring specified expenses) simultaneously with the recognizing revenue.

Contributed Nonfinancial Assets

The Organization receipts various nonfinancial gifts, primarily related to professional services. The Organization obtains necessary inputs from the donor to measure these gifts at fair value. These gifts are utilized internally and, generally, possess no donor restrictions on their use or deployment.

Earned Revenue

The Organization's earned revenue stream is generated from specialized research and professional services. The Organization typically enters into the following contract types: cost reimbursable, cost plus fixed fee, time and materials, and fixed price. Individual contracts are classified as either contribution or exchange. Exchange contracts are promises to provide specialized research and professional services in accordance with agreed-upon specifications and deliverables.

Exchange contracts include both single and multiple performance obligations for specialized research and development services, with the transaction price explicitly stated in the contract. Revenue is recognized over time based on contract costs incurred to date as a percentage of estimated total contract costs (these contracts generally have one performance obligation) or at a point in time as the various performance obligations in a contract are completed.

Generally, exchange contracts do not include accounting provisions for variable consideration. Contract modifications/change orders are issued for changes in scope, price, or performance dates and are approved in writing as contract amendments. Contract amendments are ordinary and customary during the research process and typically modify the existing performance obligations.

The following economic factors affect the nature, amount, timing, and uncertainty of the Organization's revenue and cash flows as indicated:

Type of customer: The primary sources of earned revenue are from other nonprofit organizations, state sponsors and corporate clients. Revenue from each of these sources lacks seasonality.

Geographical location of customers: For the years ended June 30, 2026 and 2025, sales to customers located outside of the United States represent approximately 25%, of the Organization's total earned revenue. Total sales to customers located outside of the United States were approximately $3.2 million and $4.5 million for the years ended June 30, 2026 and 2025, respectively.

Type of contract: The primary source of earned revenue is from service contracts that are primarily less than one year in duration.

Performance Obligations

The Organization typically satisfies its performance obligations for services over time. For service performance obligations satisfied over time, the Organization typically uses input methods to measure progress. The use of input methods results in the recognition of revenue on the basis of the Organization's efforts toward the satisfaction of the performance obligations. The most common input method used is time and costs incurred in satisfying each performance obligation.

In the case of services that provide distinct, tangible deliverables, such as specialized research reports, webinars, events, and trainings, the Organization satisfies its performance obligations at a point in time. Management confirms with the Organization's employees when a deliverable is complete and performance obligations have been satisfied.

Significant Payment Terms

Payment for goods and services sold by the Organization is typically due within 30 days after an invoice is sent to the customer. Invoices for services performed over time are typically sent to customers monthly.

Any unique terms are stipulated by the contract. Invoices for services performed at a point in time are typically sent to customers within the month following the service. The Organization does not typically offer discounts, returns, refunds, or warranties.

Allocating the Transaction Price

The transaction price of a contract is the amount of consideration to which the Organization expects to be entitled in exchange for transferring promised goods or services to a customer. Most of the Organization's contracts with customers have fixed transaction prices that are denominated in U.S. dollars and payable in cash.

Contract Balances

The following table provides information about the Organization's receivables and contract liabilities from contracts with customers:

	2026	2025
Accounts receivable, beginning of year	$ 6,445,181	$ 9,861,058
Accounts receivable, end of year	$ 3,803,433	$ 6,445,181
Contract liabilities, beginning of year	$ 1,982,329	$ 3,089,951
Contract liabilities, end of year	$ 1,151,284	$ 1,982,329

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on time and effort, square footage, actual usage and other methods prescribed by management.

Income Taxes

Rocky Mountain Institute is a not-for-profit organization exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. RMIIC and RMI Innovations LLC are limited liability companies, and RMII is a limited partnership with no significant taxable activity during the period. Accordingly, no provision for income taxes has been recorded in the accompanying consolidated financial statements.

Rocky Mountain Institute applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of June 30, 2026 and 2025. If incurred, interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expense. No interest or penalties have been assessed as of June 30, 2026 and 2025.

Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2026 and 2025, comprise the following:

	2026	2025
Financial Assets		
Cash and cash equivalents	$ 16,622,841	$ 18,669,987
Investments	68,553,675	58,480,764
Accounts receivable	4,482,743	9,372,367
Short-term pledges receivable	28,682,032	26,741,593
	118,341,291	113,264,711
Donor, Legal or Other Restrictions and Designations		
Donor imposed restrictions	79,991,295	83,410,387
Financial assets available to meet cash needs for general expenditures within one year	$ 38,349,996	$ 29,854,324

The purpose of the Organization's Unrestricted Cash Reserve Policy (UCRP) is to safeguard the Institute's financial stability and sustain mission-critical operations during periods of revenue variability or unanticipated financial stress. The Organization shall maintain a minimum unrestricted cash balance equal to four months of "unrestricted" operating expenses, in accordance with best practices of three to six months of unrestricted expenses, adjusted for revenue stability and cash flow predictability as described below. The amount for unrestricted cash balances will be determined based on the annual operating budget, excluding non-cash expenses and excluding confirmed cash expenses associated with restricted revenue sources. The unrestricted cash target will be calculated and determined annually and updated quarterly based on updated forecasts.

During the years ended June 30, 2026 and 2025, the level of liquidity and reserves was managed within the policy requirements.

Note 3. Disclosures About Fair Value of Assets and Liabilities

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

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

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2026 and 2025:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2026			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Balance at June 30, 2026
Investments				
Cash and short-term investments - money market funds	$ 456,514	$ -	$ -	$ 456,514
Mutual funds	32,031,119	-	-	32,031,119
Equities	12,537,233	-	-	12,537,233
Corporate and municipal bonds	11,499,084	3,783,956	-	15,283,040
U.S. Treasury notes	8,852,082	-	-	8,852,082
REIT	-	-	128,056	128,056
Beneficial Interest in Assets Held by The Denver Foundation	-	-	575,874	575,874
Total	$ 65,376,032	$ 3,783,956	$ 703,930	$ 69,863,918

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Balance at June 30, 2025
Investments				
Cash and short-term investments - money market funds	$ 3,159,030	$ -	$ -	$ 3,159,030
Mutual funds	24,500,172	-	-	24,500,172
Equities	10,781,106	-	-	10,781,106
Corporate and municipal bonds	9,643,340	3,154,915	-	12,798,255
U.S. Treasury notes	7,704,845	87,694	-	7,792,539
REIT	-	-	117,854	117,854
Beneficial Interest in Assets Held by The Denver Foundation	-	-	542,031	542,031
Total	$ 55,788,493	$ 3,242,609	$ 659,885	$ 59,690,987

The following table reconciles assets reported above to the respective line items on the consolidated statements of financial position:

	2026	2025
Investments	$ 68,553,675	$ 58,480,764
Beneficial interest	575,874	542,031
Restricted investments	734,369	668,192
Total per statements of financial position	$ 69,863,918	$ 59,690,987

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2026. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. See the table below for inputs and valuation techniques used for Level 3 securities.

Beneficial Interest in Assets Held by The Denver Foundation

The Organization has been named as an irrevocable beneficiary of several perpetual trusts held and administered by The Denver Foundation. Perpetual trusts provide for the distribution of the net income of the trusts to the Organization; however, the Organization will never receive the assets of the trusts.

The estimated value of the expected future cash flows is $575,874 and $542,031, which represents the fair value of the trust assets at June 30, 2026 and 2025, respectively.

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

The Organization recognized gains from assets held by the Foundation of $60,248 and $39,051 at June 30, 2026 and 2025, respectively.

Note 4. Pledges Receivable

Pledges receivable consisted of the following:

	2026	2025
Due in less than one year	$ 28,682,032	$ 26,741,593
Due in one to five years	3,716,800	2,215,000
Subtotal	32,398,832	28,956,593
Unamortized discount on pledges	(149,454)	(91,724)
Subtotal	32,249,378	28,864,869
Current portion	(28,682,032)	(26,741,593)
Total	$ 3,567,346	$ 2,123,276

Discount rates ranged from 3.7% to 4.5% for 2025 and 2026.

Note 5. Grant Reimbursements Receivable and Future Commitments

The Organization receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. These grants contain various conditions, including the requirement to incur specified grant-related expenses. Since the consolidated financial statements of the Organization are prepared on the accrual basis, all earned portions of the grants not yet received as of June 30, 2026 have been recorded as receivables. Following are the grant commitments that extend beyond June 30, 2026:

Grant	Term	Grant Amount	Earned Through 2026	Funding Available
Federal grants	Various, through December 2027	$ 1,794,097	$ 1,145,851	$ 648,246
Foundation grants	Various, through September 2027	36,354,399	27,319,229	9,035,170
		$ 38,148,496	$ 28,465,080	$ 9,683,416

Note 6. Property and Equipment

Property and equipment at June 30, 2026 and 2025 consists of:

	2026	2025
Buildings and improvements	$ 16,309,131	$ 16,406,568
Equipment and software	2,954,758	3,418,409
Furniture	1,306,448	1,727,367
Intellectual property	100,000	100,000
Total cost	20,670,337	21,652,344
Accumulated depreciation	(7,404,365)	(7,851,140)
Net property and equipment	$ 13,265,972	$ 13,801,204

Innovation Center

RMI completed construction on the Innovation Center (IC) in Basalt, Colorado in December 2015, which now serves as an office for a portion of RMI's staff and a convening space. It is expected to be one of the most energy-efficient buildings in North America and demonstrates many of the design and technical features that RMI advocates in its buildings program work. Elements of the IC or its construction operation and maintenance are expected to impact the techniques used in other buildings, thereby lowering the energy consumption of buildings more broadly. While those benefits associated with the IC are not capitalizable, they are important and consistent with the overall mission of RMI.

Note 7. Notes Receivable

Notes receivable consist of the following at June 30:

	2026	2025
Promissory note, interest-bearing at 11% per annum, principal and interest payable January 2026 until maturity in 2042; required principal payments are variable, based on the lower of regular amortization amounts and an "annual profit payment," as defined in the agreement; unsecured	$ 2,825,000	$ 2,825,000
Promissory note, interest-bearing at 11% per annum, principal and interest payable January 2026 until maturity in 2032; required principal payments are variable, based on the lower of regular amortization amounts and an "annual profit payment," as defined in the agreement; unsecured	2,000,000	1,500,000
Revolving promissory note, interest-bearing at 6% per annum, principal and interest payable upon maturity in 2029; maximum loan amount £50,000; unsecured	1,378	-
Related interest receivable	1,180,389	581,740
	6,006,767	4,906,740
Less allowance for credit loss	(259,042)	-
	$ 5,747,725	$ 4,906,740

Discount rate was 4.19% for 2026.

Note 8. Notes Payable

Notes payable consist of the following at June 30:

	2026	2025
RMI has a note payable from an unrelated corporation bearing interest of 11% per annum that matures July 2032. The loan is collateralized by certain notes receivable.	$ 2,466,920	$ 1,732,146
	2,466,920	1,732,146
Less unamortized debt issuance costs	-	-
Less current portion	-	-
	$ 2,466,920	$ 1,732,146

Aggregate annual maturities of long-term debt at June 30, 2026, are:

Years Ending June 30,	Amount
2027	$ -
2028	-
2029	-
2030	-
2031	-
Thereafter	2,466,920
	$ 2,466,920

Note 9. Line of Credit

The Organization maintained a $10 million line of credit during 2026 and 2025. No amounts were drawn in 2026. During 2025, $10,000,000 was drawn and was repaid within the month. At June 30, 2026, interest accrued at the U.S. prime rate, as published by *The Wall Street Journal* (an effective rate of 6.75%). The line of credit is collateralized by substantially all assets of RMI and a deed of trust and is subject to certain covenants. The line of credit expires in January 2027.

Note 10. Leases

Accounting Policies

The Organization determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

The Organization considers nonlease components, such as common area and other maintenance costs, to be insignificant and excludes these from the calculation of the ROU assets and lease liabilities. These are recorded as separate components of lease expense.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization has elected not to record leases with an initial term of 12 months or less on the consolidated statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The Organization has entered into the following lease arrangements:

Operating Leases

The Organization has leases for office space that expire in various years through 2035. These leases generally contain renewal options for periods up to five years. Lease payments have an escalating fee schedule, which range from a three to five percent increase each year. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

The Organization has no material related-party leases. The Organization’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The lease cost and other required information for the years ended June 30, 2026 and 2025 are:

	2026	2025
Operating lease cost	$ 2,841,906	$ 3,144,139
Other information		
Weighted-average remaining lease term		
Operating lease	7.95 years	8.63 years
Weighted-average discount rate		
Operating lease	3.5%	3.3%

Future minimum lease payments and reconciliation to the consolidated statement of financial position at June 30, 2026 are as follows:

	Operating Leases
2027	$ 1,776,532
2028	1,108,046
2029	968,650
2030	1,043,827
2031	873,136
Thereafter	3,615,156
Total future undiscounted lease payments	9,385,347
Imputed interest	(1,299,520)
Lease liability	$ 8,085,827

Note 11. Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes:

	2026	2025
Subject to expenditure for specified purpose		
New Energy Industry Strategy	$ 14,796,668	$ 23,300,346
Africa	586,552	139,627
Carbon-Free Buildings	4,425,777	4,859,521
Carbon-Free Electricity	12,818,728	10,078,783
Carbon-Free Transportation	700,025	1,365,049
Catalytic Finance	-	875,286
China	8,684,161	6,582,277
Climate Aligned Industries	7,340,105	4,580,522
Climate Intelligence	8,521,447	9,400,867
Strategic Engagement	-	559,978
Finance	1,504,479	2,716,012
India	7,027,816	6,772,970
Islands	185,397	1,186,053
Southeast Asia	631,162	60,855
Strategy Team	2,211,526	1,738,630
Third Derivative	5,989,058	4,156,926
United States	3,592,481	4,045,525
Global South	431,660	538,679
Influence	544,253	660,758
	79,991,295	83,618,664
Subject to passage of time		
Pledges receivable that are not restricted by donors but which are unavailable for expenditure until due	920,000	1,915,000
Endowments and beneficial interest		
Subject to appropriation and expenditure when a specified event occurs	374,873	274,853
Subject to endowment spending policy and appropriation		
Rocky Mountain Institute Fund	76,602	76,602
Eric Konheim Memorial Internship Fund	201,687	201,687
Philip Austin Semmer Memorial Internship Fund	101,080	101,080
Rocky Mountain Institute IC	556,000	556,000
	935,369	935,369
Total endowments and beneficial interest	1,310,242	1,210,222
	$ 82,221,537	$ 86,743,886

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2026	2025
Expiration of time restrictions	$ 1,805,000	$ 525,000
Satisfaction of purpose restrictions		
New Energy Industry Strategy	8,503,678	999,654
Africa	2,728,673	2,115,449
Carbon-Free Buildings	8,013,263	11,283,913
Carbon-Free Electricity	16,777,556	15,218,079
Carbon-Free Transportation	3,181,024	3,263,641
Catalytic Finance	2,599,627	3,123,112
China	9,229,146	8,490,725
Climate Aligned Industries	10,249,345	8,662,895
Climate Intelligence	10,066,020	9,379,043
Strategic Engagement	-	480,488
Finance	5,357,821	5,825,778
Global South	107,019	163,321
India	7,447,930	8,180,564
Internship program	-	10,000
Islands	1,369,088	2,422,600
Southeast Asia	539,693	549,857
Strategy Team	1,067,082	334,577
Third Derivative	5,605,367	7,885,732
United States	7,563,915	8,663,125
Influence	1,052,567	129,497
	101,458,814	97,182,050
Restricted purpose spending-rate distributions and appropriations	26,405	25,684
	$ 103,290,219	$ 97,732,734

Additional Donor-Specific Information

Global Energy Alliance for People and Planet (GEAPP) requires RMI to show GEAPP's grants as a separate item of income within its annual audited financial statements. During fiscal year 2026, RMI recognized the following contributions with donor restrictions from GEAPP:

- $830,414 – *Scaling Interconnected Mini-Grids in Nigeria*
- $1,885,184 – *Energising Women & Youth in Agri-Food Systems Programme (EWAS)*

No additional GEAPP revenue was recognized in fiscal year 2026 for the *RMI Technical Support for BESS Consortium* project, however, the project remained active during the fiscal year and continued to be funded under GEAPP's grant.

Note 12. Endowment

The Organization's governing body is subject to the state of Colorado *Uniform Prudent Management of Institutional Funds Act* (UPMIFA). As a result, the Organization classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Additionally, in accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Organization and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Organization
7. Investment policies of the Organization

The Organization's endowment consists of four individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The composition of net assets by type of endowment fund at June 30, 2026 and 2025 was:

	2026		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	$ -	$ 935,369	$ 935,369
Accumulated investment gains	-	374,873	374,873
	$ -	$ 1,310,242	$ 1,310,242

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	$ -	$ 935,369	$ 935,369
Accumulated investment gains	-	274,853	274,853
	$ -	$ 1,210,222	$ 1,210,222

Changes in endowment net assets for the years ended June 30, 2026 and 2025 were:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds, beginning of year	$ -	$ 1,210,222	$ 1,210,222
Investment return, net	-	126,425	126,425
Appropriation for expenditure	-	(26,405)	(26,405)
Endowment funds, end of year	$ -	$ 1,310,242	$ 1,310,242

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds, beginning of year	$ -	$ 1,162,116	$ 1,162,116
Investment return, net	-	73,790	73,790
Appropriation for expenditure	-	(25,684)	(25,684)
Endowment funds, end of year	$ -	$ 1,210,222	$ 1,210,222

Investment and Spending Policies

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Organization must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the Organization's policies, endowment assets are invested in a manner that is intended to produce results that exceed an average of six percent annually while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Organization has a spending policy of appropriating for expenditure each year two to four percent of its endowment fund's average fair value over the prior 12 quarters through the year-end preceding the year in which expenditure is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long-term, the Organization expects the current spending policy to allow its endowment to grow at an average of two percent to four percent annually. This is consistent with the Organization's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Underwater Endowments

The governing body of the Organization has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of

a. the original value of initial and subsequent gift amounts donated to the fund and

b. any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. At June 30, 2026 and 2025, no funds were underwater.

Note 13. 403(b) Retirement Plan

The Organization offers to its staff the option to participate in a deferred compensation plan pursuant to IRC Section 403(b). Staff contributions are voluntary and are made on a pretax or after-tax (Roth) basis. RMI matches 100% of eligible participants' contributions, up to five percent of eligible participants' compensation. For the years ended June 30, 2026 and 2025, employer contributions totaled $3,196,835 and $3,414,689, respectively.

Note 14. Deferred Compensation

The Organization offers a noncontributory deferred compensation plan to certain members of management upon reaching a three-year milestone. Under Section 457(f), benefits are subject to substantial risk of forfeiture which exists when the rights to the benefits are conditioned upon the future performance of substantial services by the participant prior to the conclusion of the vesting period. Vesting is achieved when the three-year service period is reached. As a result, benefits are expensed and payment commences in the year vesting is achieved, which totaled $808,849 for 2026.

Subsequent to year-end, another three-year milestone was met and the Organization remitted $778,481 in deferred compensation to select members.

Note 15. Related-Party Transactions

The Organization recognized contribution revenue from the Board of Trustees of $187,527 and $159,706 during 2026 and 2025, respectively.

Note 16. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Concentrations

At June 30, 2026, two donors accounted for approximately 20% of contribution revenues and approximately 25% of pledges receivable.

At June 30, 2025, one donor accounted for approximately 15% of contribution revenues and two donors accounted for approximately 25% of pledges receivable.

One customer accounted for approximately 15% of earned revenue during 2025.

Investments

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

Note 17. Subsequent Events

Subsequent events have been evaluated through October 23, 2026, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

Rocky Mountain Institute
Consolidating Schedule – Statement of Financial Position Information
June 30, 2026

	Rocky Mountain Institute	Rocky Mountain Institute International	Eliminations	Total
ASSETS				
Current Assets				
Cash and cash equivalents	$ 16,622,841	$ -	$ -	$ 16,622,841
Investments	58,222,122	10,331,553	-	68,553,675
Accounts and grants receivable	14,482,743	-	(10,000,000)	4,482,743
Short-term pledges receivable	28,682,032	-	-	28,682,032
Prepaid expenses and other current assets	4,187,742	-	-	4,187,742
Total Current Assets	122,197,480	10,331,553	(10,000,000)	122,529,033
Property and Equipment, Net	13,265,972	-	-	13,265,972
Right of Use Assets - Operating Leases	7,705,451	-	-	7,705,451
Crypto Assets	4,274	-	-	4,274
Notes Receivable	5,747,725	-	-	5,747,725
Pledges Receivable, Net of Current Portion	3,567,346	-	-	3,567,346
Investments Restricted for the Innovation Center	734,369	-	-	734,369
Beneficial Interest in Assets Held by The Denver Foundation	575,874	-	-	575,874
Equity Method Investment	1,245,019	-	-	1,245,019
Simple Agreement for Future Equity	450,000	-	-	450,000
Deposits and Other Assets	588,275	-	-	588,275
Total Noncurrent Assets	33,884,305	-	-	33,884,305
Total Assets	$ 156,081,785	$ 10,331,553	$ (10,000,000)	$ 156,413,338

Rocky Mountain Institute
Consolidating Schedule – Statement of Financial Position Information
June 30, 2026 **(Continued)**

	Rocky Mountain Institute	Rocky Mountain Institute International	Eliminations	Total
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	$ 2,233,196	$ -	$ -	$ 2,233,196
Accrued salaries and benefits	12,585,021	-	-	12,585,021
Intercompany payable	-	10,000,000	(10,000,000)	-
Deferred revenue	1,151,284	-	-	1,151,284
Current portion of operating lease liabilities	1,776,532	-	-	1,776,532
Other accrued expenses	839,102	-	-	839,102
Total Current Liabilities	18,585,135	10,000,000	(10,000,000)	18,585,135
Notes Payable, Net of Current Portion	2,466,920	-	-	2,466,920
Operating Lease Liabilities	6,309,295	-	-	6,309,295
Total Liabilities	27,361,350	10,000,000	(10,000,000)	27,361,350
Net Assets				
Without donor restrictions	46,498,898	331,553	-	46,830,451
With donor restrictions	82,221,537	-	-	82,221,537
Total Net Assets	128,720,435	331,553	-	129,051,988
Total Liabilities and Net Assets	$ 156,081,785	$ 10,331,553	$ (10,000,000)	$ 156,413,338

Rocky Mountain Institute
Consolidating Schedule – Statement of Activities Information
Year Ended June 30, 2026

	Rocky Mountain Institute	Rocky Mountain Institute International	Eliminations	Total
Revenue, Gains, and Other Support				
Foundation, individual and corporate contributions, net	$ 30,875,006	$ -	$ -	$ 30,875,006
Contributions of nonfinancial assets	2,024,558	-	-	2,024,558
Government and multilateral grants	4,789,168	-	-	4,789,168
Earned revenue	12,630,241	-	-	12,630,241
Event revenue	74,875	-	-	74,875
Net realized and unrealized gain (loss) on investments	1,954,444	(68,631)	-	1,885,813
Interest and dividends	2,663,956	369,454	-	3,033,410
Other	(213,177)	-	-	(213,177)
Net assets released from restrictions	103,290,219	-	-	103,290,219
Total Revenue, Gains, and Other Support	158,089,290	300,823	-	158,390,113
Expenses				
Program services	117,719,939	-	-	117,719,939
Management and general	20,323,805	-	-	20,323,805
Fundraising	8,114,754	-	-	8,114,754
Total Expenses	146,158,498	-	-	146,158,498
Change in Net Assets Without Donor Restrictions	11,930,792	300,823	-	12,231,615
Foundation, individual and corporate contributions	97,513,494	-	-	97,513,494
Multilateral grants	1,126,555	-	-	1,126,555
Net realized and unrealized gain on investments	52,569	-	-	52,569
Interest and dividends	15,004	-	-	15,004
Change in beneficial interest in assets held by The Denver Foundation	60,248	-	-	60,248
Net assets released from restrictions	(103,290,219)	-	-	(103,290,219)
Change in Net Assets With Donor Restrictions	(4,522,349)	-	-	(4,522,349)
Change in Net Assets	7,408,443	300,823	-	7,709,266
Net Assets, Beginning of Year	121,311,992	30,730	-	121,342,722
Net Assets, End of Year	$ 128,720,435	$ 331,553	$ -	$ 129,051,988