International Development Enterprises and Subsidiaries

Consolidated Financial Report
December 31, 2025

Contents

Independent Auditor's Report

Board of Directors
International Development Enterprises

Report on the Audit of the Financial Statements

Opinion
We have audited the consolidated financial statements of International Development Enterprises and Subsidiaries (iDE), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, 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 (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of iDE as of December 31, 2025 and 2024, 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) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of iDE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the 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 iDE's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about iDE'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2026, on our consideration of iDE's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of iDE's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering iDE's internal control over financial reporting and compliance.

RSM US LLP

Washington, D.C.
August 5, 2026

International Development Enterprises and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	**$ 8,558,981**	$ 10,174,068
Accounts receivable, net of allowance for credit losses of 2025—$13,330; 2024—$787, respectively	**355,536**	209,320
Promises to give, net—current	**100,000**	-
Grants receivable	**769,765**	2,423,417
Inventories for sale, net	**318,610**	256,813
Prepaid expenses and other assets	**730,073**	1,262,168
Total current assets	**10,832,965**	14,325,786
Property and equipment, net	**962,951**	1,333,879
Deposits	**238,253**	118,590
Promises to give, net—noncurrent	**362,029**	-
Lease right-of-use assets	**701,832**	1,063,022
Total assets	**$ 13,098,030**	$ 16,841,277
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	**$ 249,077**	$ 487,244
Accrued expenses and other current liabilities	**1,224,606**	1,556,093
Refundable advances	**2,522,663**	4,092,403
Line of credit	**300,000**	-
Notes payable	**235,225**	186,911
Lease liabilities, net—current	**413,582**	498,867
Total current liabilities	**4,945,153**	6,821,518
Notes payable, long-term	**12,565**	111,865
Lease liabilities, net—noncurrent	**372,450**	649,130
Total liabilities	**5,330,168**	7,582,513
Commitments and contingencies (Note 10)		
Net assets:		
Without donor restrictions	**(66,365)**	1,954,586
With donor restrictions	**7,834,227**	7,304,178
Total net assets	**7,767,862**	9,258,764
Total liabilities and net assets	**$ 13,098,030**	$ 16,841,277

See notes to consolidated financial statements.

International Development Enterprises and Subsidiaries

Consolidated Statement of Activities
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue, gains and other support:			
Grant revenue	$ 12,929,204	$ 10,028,406	$ 22,957,610
Private contributions	2,414,419	462,029	2,876,448
Field and program revenue	1,886,459	994,189	2,880,648
Sales, net	1,323,318	-	1,323,318
Interest income	286,431	-	286,431
Other income	1,272,974	-	1,272,974
Net assets released from restrictions	10,954,575	(10,954,575)	-
Total revenues, gains and other support	31,067,380	530,049	31,597,429
Expenses:			
Programs:			
Cambodia	3,164,581	-	3,164,581
Vietnam	274,834	-	274,834
Bangladesh	3,738,991	-	3,738,991
Nepal	2,304,640	-	2,304,640
Zambia	1,976,463	-	1,976,463
Ghana	1,955,981	-	1,955,981
Ethiopia	2,229,966	-	2,229,966
Madagascar	701,504	-	701,504
Mozambique	3,410,294	-	3,410,294
Honduras	965,122	-	965,122
United Kingdom	127,920	-	127,920
Multicountry projects	3,628,669	-	3,628,669
Hydrologic	1,428,242	-	1,428,242
Total program expenses	25,907,207	-	25,907,207
Services:			
General and administrative	6,512,470	-	6,512,470
Fundraising	565,429	-	565,429
Total supporting services expenses	7,077,899	-	7,077,899
Total expenses	32,985,106	-	32,985,106
Changes in net assets before other financial items	(1,917,726)	530,049	(1,387,677)
Currency translation adjustments	(103,225)	-	(103,225)
Change in net assets	(2,020,951)	530,049	(1,490,902)
Net assets:			
Beginning	1,954,586	7,304,178	9,258,764
Ending	$ (66,365)	$ 7,834,227	$ 7,767,862

See notes to consolidated financial statements.

International Development Enterprises and Subsidiaries

Consolidated Statement of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue, gains and other support:			
Grant revenue	$ 26,089,254	$ 8,710,871	$ 34,800,125
Private contributions	3,396,983	-	3,396,983
Field and program revenue	5,090,324	746,915	5,837,239
Sales, net	903,196	-	903,196
Interest income	234,873	-	234,873
Other income	973,250	-	973,250
Net assets released from restrictions	7,578,185	(7,578,185)	-
Total revenues, gains and other support	44,266,065	1,879,601	46,145,666
Expenses:			
Programs:			
Cambodia	3,468,096	-	3,468,096
Vietnam	407,577	-	407,577
Bangladesh	4,682,793	-	4,682,793
Nepal	1,234,611	-	1,234,611
Zambia	1,801,099	-	1,801,099
Ghana	1,459,070	-	1,459,070
Ethiopia	3,017,382	-	3,017,382
Madagascar	512,002	-	512,002
Mozambique	12,407,081	-	12,407,081
Honduras	1,028,509	-	1,028,509
United Kingdom	120,553	-	120,553
Multicountry projects	4,036,363	-	4,036,363
Hydrologic	1,324,287	-	1,324,287
Total program expenses	35,499,423	-	35,499,423
Services:			
General and administrative	8,371,541	-	8,371,541
Fundraising	733,240	-	733,240
Total supporting services expenses	9,104,781	-	9,104,781
Total expenses	44,604,204	-	44,604,204
Changes in net assets before other financial items	(338,139)	1,879,601	1,541,462
Currency translation adjustments	(515,019)	-	(515,019)
Change in net assets	(853,158)	1,879,601	1,026,443
Net assets:			
Beginning	2,807,744	5,424,577	8,232,321
Ending	$ 1,954,586	$ 7,304,178	$ 9,258,764

See notes to consolidated financial statements.

International Development Enterprises and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended December 31, 2025

Description	Cambodia	Vietnam	Bangladesh	Nepal	Zambia	Ghana	Ethiopia	Madagascar	Mozambique	Honduras	United Kingdom	Multicountry Projects	Hydrologic	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total Expenses
Personnel	$ 2,129,388	$ 194,513	$ 2,128,211	$ 569,317	$ 1,004,552	$ 937,832	$ 1,147,254	$ 207,883	$ 2,134,918	$ 429,842	$ 58,409	$ 2,855,924	$ 694,953	$ 14,492,996	$ 4,216,742	$ 487,424	$ 4,704,166	$ 19,197,162
Subgrants	-	-	-	1,448,975	-	-	24,841	281,637	404,486	-	-	-	-	2,159,939	-	-	-	2,159,939
Office expense	102,016	15,027	349,252	84,524	260,048	208,125	100,059	106,139	231,245	64,740	2,691	73,957	171,752	1,769,575	689,736	22,587	712,323	2,481,898
Professional services	174,462	1,457	38,795	61,408	54,710	17,136	8,725	54,980	171,517	67,350	42,695	395,303	81,328	1,169,866	1,267,765	21,000	1,288,765	2,458,631
Travel and transportation	222,863	10,844	168,496	54,342	154,772	228,412	116,265	30,556	103,527	93,692	20,573	221,832	52,350	1,478,524	127,420	34,418	161,838	1,640,362
Implementation costs	480,820	52,993	1,027,417	70,785	395,433	505,944	804,625	11,614	168,049	309,442	3,552	81,653	281,721	4,194,048	49,914	-	49,914	4,243,962
Business administrative expenses	43,032	-	9,112	3,899	16,541	23,880	17,166	2,893	43,380	56	-	-	82,556	242,515	151,687	-	151,687	394,202
Depreciation expense	12,000	-	17,708	11,390	90,407	34,652	11,031	5,802	153,172	-	-	-	63,582	399,744	9,206	-	9,206	408,950
Total	$ 3,164,581	$ 274,834	$ 3,738,991	$ 2,304,640	$ 1,976,463	$ 1,955,981	$ 2,229,966	$ 701,504	$ 3,410,294	$ 965,122	$ 127,920	$ 3,628,669	$ 1,428,242	$ 25,907,207	$ 6,512,470	$ 565,429	$ 7,077,899	$ 32,985,106

See notes to consolidated financial statements.

International Development Enterprises and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

Description	Cambodia	Vietnam	Bangladesh	Nepal	Zambia	Ghana	Ethiopia	Madagascar	Mozambique	Honduras	United Kingdom	Multicountry Projects	Hydrologic	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total Expenses
Personnel	$ 2,341,172	$ 238,896	$ 2,791,722	$ 499,564	$ 1,025,540	$ 804,470	$ 1,465,916	$ 83,231	$ 6,029,444	$ 452,025	$ 109,846	$ 2,456,618	$ 638,723	$ 18,937,167	$ 5,974,032	$ 610,711	$ 6,584,743	$ 25,521,910
Subgrants	-	-	-	430,287	-	-	116,918	284,341	1,730,507	-	-	431,627	-	2,993,680	-	-	-	2,993,680
Office expense	187,483	33,184	486,813	117,784	273,042	135,990	236,202	28,738	1,049,280	74,743	3,388	64,594	146,644	2,837,885	644,139	29,883	674,022	3,511,907
Professional services	96,949	66,156	54,079	55,877	23,589	45,212	5,712	36,367	267,147	91,209	6,604	620,527	123,410	1,492,838	918,559	42,000	960,559	2,453,397
Travel and transportation	296,418	22,446	241,562	45,627	211,658	190,089	329,212	78,704	745,057	101,246	715	331,086	61,781	2,655,601	376,817	46,965	423,782	3,079,383
Implementation costs	516,411	46,895	1,056,070	72,358	178,992	226,551	832,371	138	2,087,292	309,156	-	131,511	229,589	5,687,334	7,691	-	7,691	5,695,025
Business administrative expenses	12,471	-	16,229	2,673	9,930	22,106	20,020	-	267,012	130	-	400	68,076	419,047	431,891	3,681	435,572	854,619
Depreciation expense	17,192	-	36,318	10,441	78,348	34,652	11,031	483	231,342	-	-	-	56,064	475,871	18,412	-	18,412	494,283
Total	$ 3,468,096	$ 407,577	$ 4,682,793	$ 1,234,611	$ 1,801,099	$ 1,459,070	$ 3,017,382	$ 512,002	$ 12,407,081	$ 1,028,509	$ 120,553	$ 4,036,363	$ 1,324,287	$ 35,499,423	$ 8,371,541	$ 733,240	$ 9,104,781	$ 44,604,204

See notes to consolidated financial statements.

International Development Enterprises and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ (1,490,902)	$ 1,026,443
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	399,744	494,283
Amortization of right-of-use assets	512,962	567,028
Change in provision for bad debts	12,543	117,899
(Gain) loss on sale of property and equipment	(88,481)	109,074
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(158,759)	642,122
Grants receivable	1,653,652	57,155
Inventories for sale	(61,797)	118,434
Prepaid expenses and other assets	532,095	(209,442)
Deposits	(119,663)	128
Promises to give, net	(462,029)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	(569,654)	(986,887)
Refundable advances	(1,569,740)	(2,125,634)
Lease liabilities	(513,737)	(543,798)
Net cash used in operating activities	(1,923,766)	(733,195)
Cash flows from investing activities:		
Purchase of capital assets	(210,768)	(337,393)
Cash received from sale of assets	270,433	-
Net cash provided by (used in) investing activities	59,665	(337,393)
Cash flows from financing activities:		
Proceeds from loan funds	225,400	89,374
Repayments of loan funds	(276,386)	(331,927)
Borrowings on line of credit	300,000	-
Net cash provided by (used in) financing activities	249,014	(242,553)
Decrease in cash and cash equivalents	(1,615,087)	(1,313,141)
Cash and cash equivalents:		
Beginning	10,174,068	11,487,209
Ending	$ 8,558,981	$ 10,174,068

See notes to consolidated financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: International Development Enterprises (iDE) was incorporated on October 1, 1982, under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania as a multinational nonprofit public charity.

iDE is a global development organization that advances market-based approaches in agriculture; access to finance; water, sanitation and hygiene (WASH); nutrition; and climate change resilience, to create income and livelihood opportunities for economically and socially marginalized households. iDE has made a difference for more than 44 million people by powering entrepreneurs and developing resilient market ecosystems that enable people living in low-income communities to participate in local economies. With staff in 11 countries around the world and employing over 600 employees – 89% local – iDE is a catalyst for real change that powers people to prosper on their own terms. By constantly evaluating impact and tracking program data, iDE guarantees an average social return on investment of at least $10 in household income or savings for every dollar spent.

iDE's programs assist developing world entrepreneurs to succeed and overcome challenges by participating in market ecosystems that are economically competitive, inclusive of all people, especially marginalized populations, and resilient to shocks such as conflict or changing climates. iDE has developed a unique impact model called Infinite—a comprehensive technical framework that packages all of iDE's diverse, sophisticated program activities into simple, standardized formats that allows to rapidly develop, assess, and implement project strategies. The Infinite model provides a roadmap for how individuals who seek to participate in the market can move through a process of growth, establishing profitable livelihoods.

Hydrologic Social Enterprise Company Limited is a Cambodian company, wholly owned by iDE which manufactures and sells low-cost, ceramic water purifiers.

iDE International Foundation (IDEI) is an organization registered as a charitable foundation in Berne, Switzerland. International Development Enterprises UK (iDE UK) is a private limited company charity registered in England of which iDE is a sole member.

A summary of iDE's significant accounting policies follows:

Principles of consolidation: The consolidated financial statements include the accounts of iDE, IDEI, iDE UK, Hydrologic Social Enterprise Company Limited and all of iDE's other field offices in iDE Bangladesh, iDE Ethiopia, iDE Cambodia, iDE Ghana, iDE Mozambique, iDE Nepal, iDE Zambia, iDE Vietnam, iDE Kenya, iDE Madagascar, and iDE Honduras. All inter-entity transactions have been eliminated in the consolidation.

Basis of presentation: The consolidated financial statements presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Not-for-Profit Entities Topic of the Accounting Standards Codification (ASC). iDE is required to report information regarding its consolidated financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets without donor restrictions represent resources that are neither invested in perpetuity, nor purpose or time restricted by donor-imposed stipulations and are available for support of general operating activities.

Net assets with donor restrictions: Net assets with donor restrictions represent resources whose use is limited by donor-imposed stipulations that either expire by the passage of time or may be satisfied and removed by the actions of iDE pursuant to these stipulations.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Cash and cash equivalents: iDE considers money market funds held in investment accounts and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Financial risk: iDE maintains cash balances at financial institutions that, at times, may exceed federally insured limits. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank. At December 31, 2025, iDE had approximately $6.4M of cash balances in excess of FDIC insurance limits. Management has not experienced any losses in such accounts and believes it is not exposed to significant credit risk.

Accounts receivable: Receivables are carried at original invoice or promise to give amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at year-end. Management determines the allowance for doubtful accounts by determining troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Accounts receivable are uncollateralized obligations and generally require payment within 30 to 60 days from the date arising. No interest is charged on past due receivables. The accounts receivable balance at January 1, 2024, was $209,320.

The allowance for credit losses at December 31, 2025 and 2024, was $13,330 and $787, respectively. The allowance for credit losses represents an estimate of credit losses over the lifetime of the receivable. The estimation process is based on historical experience, current conditions, asset-specific characteristics, and reasonable and supportable forecasts about future economic and market conditions.

The allowance for credit losses was composed of the following at December 31, 2025 and 2024:

	2025	2024
Balance at beginning of year	$ 787	$ 118,688
Monthly provision	12,857	19,195
Provision adjustments for foreign currency revaluations	412	(22,846)
Write-offs	(726)	(114,250)
Balance at end of year	$ 13,330	$ 787

Promises to give, net: Unconditional promises to give are recognized as revenue in the period the promise is received and are recorded at the present value of estimated future cash flows. Amounts expected to be collected in more than one year are discounted using an appropriate risk-adjusted rate. The promise to give was recorded at the present value of estimated future cash flows using a discount rate of 3.1%. Amortization of the discount decreases contribution revenue. Promises to give are presented separately from accounts receivable because such amounts represent donor pledges rather than trade receivables. There is no allowance for doubtful accounts for promises to give for the years ended December 31, 2025 and 2024.

Grants receivable: Grants receivable is generated from conditional grants from prime and subrecipient arrangements with federal government agencies and other various private entities. Billed amounts represent invoices that have been prepared and sent to the funder. Grants receivable under conditional grant awards and other agreements represent unbilled recoverable costs incurred. Recoverable costs for iDE's conditional grants are billable when allowable expenditures are incurred. There is no allowance for doubtful accounts for grants receivable for the years ended December 31, 2025 and 2024.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Inventories: Inventories are stated at the lower of cost (first-in, first-out method) or net realizable value less cost of sales and consist of pumps, water filters and drip irrigation equipment held for sale in various countries.

Investments: In 2024, iDE made a $100,000 investment for 25 shares of ATEC (0.7% ownership). ATEC is a proprietary limited company incorporated in Australia that aims to deliver social and environmental impact in Cambodia and Bangladesh by providing access to modern cooking. The investment was fully allowed for at year-end due to continued losses, with a valuation allowance of $100,000 recorded for the year ended December 31, 2025.

Property and equipment: Property and equipment is stated at cost if purchased, or fair value on the date of contribution, and depreciated on the straight-line basis over the estimated useful lives, ranging from three to seven years. iDE capitalizes all expenditures for property and equipment valued at $5,000 or greater with estimated useful lives greater than one year.

Valuation of long-lived assets: iDE reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Leases: iDE determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under Topic 842, a contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. iDE also considers whether its service arrangements include the right to control the use of an asset.

Right-of-use assets (ROU) represent iDE’s right to use an underlying asset for the lease term and lease liabilities represent iDE’s obligation to make lease payments from the lease. ROU assets are calculated based on the lease liability adjusted for any lease payments paid to the lessor at or before the commencement date and initial direct costs incurred by iDE and excludes any lease incentive received from the lessor. Lease liabilities are recognized based on the present value of lease payments over the lease term.

iDE elected the package of practical expedients permitted under the transition guidance, which among other things, did not require reassessment of whether contracts entered into prior to adoption are or contain leases, and allowed carryforward of the historical lease classification for existing leases. iDE made an accounting policy election under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

iDE’s leases may include a non-lease component representing additional services transferred to iDE such as common area maintenance for real estate. iDE made an accounting policy election to account for each separate lease component and the non-lease components associated with that lease component as a single lease component. Non-lease components that are variable in nature are recorded in variable lease expense in the period incurred.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

A lessee that is not a public business entity is permitted to use a risk-free discount rate for its leases, determined using a period comparable with that of the lease term, as an accounting policy election for all leases. In order to ease the accounting burden of determining incremental borrowing rates under ASC 842, iDE has made this accounting policy election for all leases. The risk-free discount rates were obtained using U.S. Treasury securities as posted on the Federal Reserve website or foreign bank treasury websites.

Revenue recognition: The primary sources of revenue for iDE consists of grant revenue and private contributions, field and program revenue, sales revenue and other income. The revenue recognition policies for each of these revenue streams is as follows:

Grant revenue and private contributions: iDE recognizes grant and contribution revenue based upon the presence or absence of donor-imposed conditions. Revenue from conditional grants and contracts is recognized only when funds are utilized to carry out the activity stipulated in the grant or contract agreement that satisfies barriers and/or rights of return. Any grants received that meet the criteria of an unconditional grant are recognized as revenue when awarded.

Contributions received with donor-imposed conditions are recognized as revenue when the conditions have been substantially met. Amounts received in advance of satisfying the donor-imposed conditions are reported as refundable advances until conditions are met.

When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Recognized conditional promises (conditional grants) are recorded to net assets without donors restrictions if any purpose or time restrictions are met simultaneously with the condition.

During 2025, iDE received notices of termination for convenience from the U.S. Government for all but one active federal award with remaining funding available. As a result, approximately $30.5 million of conditional federal funding was terminated.

As a result of the executive orders and the related termination of federal funding, all conditional promises (conditional grants) made by iDE to implementing partners were terminated as of December 31, 2025.

iDE has conditional grants and contributions from approximating $9,841,257 that have not been recognized as of December 31, 2025, because the conditions for revenue recognition have not been satisfied. Of this amount, $2,522,633 of advanced payments have been received and are shown as refundable advances on the consolidated statement of financial position.

Field and program revenue: Field and program revenue consists of revenue earned based on indirect cost rate reimbursements as specified in various grant agreements. Revenue is recognized as a percentage of qualified base expenses as they are incurred.

Sales revenue: Sales revenue represents the sale of water filters and toilets developed from iDE projects. Sales are conducted in person and delivery of goods occur simultaneously as receipts for the products are issued and consideration is collected. Contract, price and delivery of the product occur all at the same time. As a result, revenue is recognized at the point of sale. Cost of sales is $752,640 and $653,018 for the years ended December 31, 2025 and 2024, respectively.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Other income: Other income includes various service fees charged to individuals and independent organizations who partner with iDE on short-term projects related to its overall mission. Such services fees might include consulting, training or management services performed by iDE. The fees are agreed upon through contracts which are based on identified performance obligations at a set price or rate. iDE recognizes the revenue as the performance obligations are met.

iDE also earns carbon credits for the displacement of water boiling practices caused by the use of ceramic water purifiers manufactured and sold by Hydrologic. This displacement reduces CO2 emissions by 41,000 tons on an annual basis; and accordingly, carbon credits were awarded and registered by the Gold Standard. In 2025 and 2024, 62,935 and 35,881 credits, respectively, were sold by iDE for the amounts of $339,014 and $374,840, respectively. Revenue is recorded in other income on the consolidated statements of activities. Due to the nature and uncertainty of the carbon credit market, iDE recognizes carbon credit revenue when credits are sold.

Foreign currency translation: The functional and reporting currency of iDE is the U.S. Dollar. Transactions in non-U.S. Dollar currencies are initially recorded in U.S. Dollar equivalents at the applicable exchanges rates upon recognition (historical exchange rate). Monetary assets and monetary liabilities are revalued into U.S. Dollar equivalents at the applicable exchange rates at year-end. Nonmonetary assets and nonmonetary liabilities are maintained at historical exchange rates. Gains or losses from the revaluation of monetary assets and liabilities are recognized as currency translation adjustments in the consolidated statements of activities.

Concentrations of Revenue: Approximately 33% of total revenue for the year ended December 31, 2025, was derived from one donor.

Functional allocation of expenses: The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities and consolidated statements of functional expenses. Program activities are those that are conducted in accordance with the iDE's nature of operations and certain necessary costs. Management and general activities are those that are not identifiable with a single program or fundraising activity, but that are indispensable to the conduct of those activities and to the iDE's existence. Fundraising activities involve inviting potential donors to partner with iDE. Salaries, benefits and payroll tax expense is allocated to programs, management and general activities, and fundraising based on time recorded and classified by employees. All other expense is allocated to activities based on the allocation of staff among departments and square footage utilized by departments.

Advertising costs: iDE expenses advertising costs as incurred. Advertising expense totaled approximately $193,000 and $228,000 for the years ended December 31, 2025 and 2024, respectively.

Income tax status: iDE qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for federal income taxes has been provided. In addition, iDE qualifies for the charitable contribution deduction under Section 170(c)(2) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

iDE follows the guidance that clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. iDE has no current obligation for unrelated business income tax. iDE files as a tax-exempt organization.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Use of estimates: The preparation of the consolidated financial statements in conformity with generally accepted accounting principles (U.S. GAAP) 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 and expenses during the reporting period. Actual results could differ from those estimates.

Related-party transactions: iDE's board and staff work closely with iDE-Canada in designing, financing and executing projects worldwide. Transactions that occur between iDE and iDE Canada are classified as related-party transactions on the consolidated statements of financial position. During the year ended December 31, 2025, iDE had $2,185 of related-party receivables within prepaids and other assets on the consolidated statements of financial position. During the year ended December 31, 2024, iDE had $19,014 of related-party receivables within prepaids and other assets on the consolidated statements of financial position.

Subsequent events: iDE has evaluated subsequent events through August 5, 2026, the date on which the consolidated financial statements were available to be issued.

Note 2. Liquidity and Availability

iDE manages its liquidity to ensure the availability of financial resources necessary to meet its general expenditures, operating requirements, and other obligations as they become due. In managing liquidity, iDE seeks to maintain an appropriate level of liquid financial assets and available funding sources while preserving financial stability and flexibility. iDE regularly monitors its financial position and cash flow needs to support ongoing operations and strategic objectives. In the event of an unanticipated liquidity need, iDE may draw upon available lines of credit totaling $200,000 (Note 9).

During 2025, iDE incurred $1.2 million for non-recurring expenses.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2025 and 2024, are as follows:

	2025	2024
Cash and cash equivalents	$ 8,558,981	$ 10,174,068
Accounts receivable, net	355,536	209,320
Promises to give, net	462,029	-
Grants receivable	769,765	2,423,417
Total financial assets	10,146,311	12,806,805
Less:		
Refundable advances	(2,522,663)	(4,092,403)
Donor-restricted net assets	(7,834,227)	(7,304,178)
	(10,356,890)	(11,396,581)
Financial assets available to meet cash needs for general expenditures within one year	$ (210,579)	$ 1,410,224

Note 3. Promises to Give

Future collections of unconditional promises to give are expected to be received as follows:

Years ending December 31:	
2026	$ 100,000
2027	100,000
2028	100,000
2029	100,000
2030	100,000
	500,000
Less: discount to present value	(37,971)
Promises to give, net	$ 462,029

Note 4. Net Assets With Donor Restrictions

Changes in net assets with donor restrictions during the year ended December 31, 2025, were as follows:

	December 31, 2024	Additions	Releases	December 31, 2025
Subject to expenditure for specific purpose:				
Resilient Farmers	$ 422,562	$ 200,000	$ (458,063)	$ 164,499
Global Nutrition: Resilient Food Supply Chains	6,203,805	9,940,921	(9,130,106)	7,014,620
Seeding the Future through Farm Business	33,000	300,000	(333,000)	-
Strengthening Farmer Income and Self Reliance	608,807	350,000	(958,807)	-
Time restrictions—promises to give	-	462,069	-	462,069
Other	36,004	231,634	(74,599)	193,039
Total net assets with donor restrictions	$ 7,304,178	$ 11,484,624	$ (10,954,575)	$ 7,834,227

Changes in net assets with donor restrictions during the year ended December 31, 2024, were as follows:

	Balance December 31, 2023	Additions	Releases	Balance December 31, 2024
Subject to expenditure for specific purpose:				
Resilient Farmers	$ 580,168	$ 200,000	$ (357,606)	$ 422,562
Global Nutrition: Resilient Food Supply Chains	4,581,660	8,101,230	(6,479,085)	6,203,805
Seeding the Future through Farm Business	-	366,000	(333,000)	33,000
Strengthening Farmer Income and Self Reliance	235,108	750,000	(376,301)	608,807
Other	27,641	40,556	(32,193)	36,004
Total net assets with donor restrictions	$ 5,424,577	$ 9,457,786	$ (7,578,185)	$ 7,304,178

Note 5. Leases

iDE has operating leases for its headquarters office lease as well as office leases in foreign field offices. Operating lease cost is recognized on a straight-line basis over the lease term. If iDE is reasonably certain to exercise these renewal options at lease inception, the options are considered in determining the lease term, and payments associated with the option years. Rent expense was $617,004 and $817,139 for the years ended December 31, 2025 and 2024, respectively.

Operating lease ROU assets and lease liabilities as of December 31, 2025 and 2024, consisted of the following:

	2025	2024
Assets:		
Operating lease right-of-use assets	$ 701,832	$ 1,063,022
Liabilities:		
Operating lease liabilities, net	$ 786,032	$ 1,147,997

The components of lease expense are as follows:

	2025	2024
Operating lease cost	$ 512,962	$ 567,028
Short-term cost	104,042	250,111
	$ 617,004	$ 817,139

Supplemental cash flow information related to leases is as follows:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows—payments on operating leases	$ 513,737	$ 698,999
ROU assets obtained in exchange for new lease obligations:		
Operating leases	78,103	584,891

The lease term and discount rate for operating and financing leases are as follows:

	2025	2024
Weighted-average remaining lease term for operating leases	2.28 years	3.18 years
Weighted-average discount rate for operating leases	6.99%	7.51%

Note 5. Leases (Continued)

Future undiscounted cash flows for each of the next three years and reconciliation to the lease liabilities recognized on the statement of financial position as of December 31, 2025, is as follows:

Years ending December 31:		
2026	$	413,582
2027		289,725
2028		107,997
Total lease payments		811,304
Less imputed interest		(25,272)
Present value of lease liabilities	$	786,032

Note 6. Defined Contribution Retirement Plan

iDE has a 403(b) plan available to all full-time domestic employees who are at least 21 years of age, are scheduled at least 1,000 hours per year and have completed three months of service. iDE contributes 6% of the employee's gross salary. In response to the USAID programs shutdown, iDE suspended employer contributions to the 403(b) plan effective in early 2025 as a cost-saving measure. Accordingly, no employer contributions were made to the plan subsequent to the suspension date through year-end. The suspension remains in effect as of the date of these financial statements. Contributions for the years ended December 31, 2025 and 2024, amounted to $41,936 and $357,424, respectively.

Note 7. Property and Equipment

Property and equipment at December 31, 2025 and 2024, consists of the following:

		2025		2024
Buildings and improvements	$	296,091	$	293,481
Furniture and equipment		538,553		488,320
Vehicles		2,195,299		2,707,808
Software (*)		370,511		370,511
Total		3,400,454		3,860,120
Less accumulated depreciation		(2,437,503)		(2,526,241)
Net property and equipment	$	962,951	$	1,333,879

*Software and website development have been aggregated as software.

Note 8. Notes Payable

iDE loans capital to individuals or groups in various countries in which it operates. In December 2014, iDE executed an agreement with Kiva, a California nonprofit public benefit corporation, to become a Kiva Microfinance Institution (MFI) Field Partner. Kiva operates one or more donor advised funds (DAF) that allows advisors to the DAF to connect with local lenders, such as iDE, that provide small loans to borrowers (individuals or groups) in developing countries. The agreement allows iDE to obtain access to, and the ability to post on, Kiva website profiles of borrowers in need of debt capital in order to obtain capital in the form of loans from lenders (individuals and entities) who also access the Kiva website.

Note 8. Notes Payable (Continued)

Funds contributed from lenders to the Kiva website bear no interest rate. The agreement establishes maximum microloan limits for individual borrowers and group borrowers by country. The terms of the loans to borrowers of these funds are set by iDE. The agreement requires that all loans to borrowers are established on a short-term basis. iDE is responsible for collecting loan repayments from borrowers and remitting loan repayments to Kiva. Kiva periodically bills iDE for all loan repayments that have been collected from borrowers by a certain date. At any time during the term of the agreement, Kiva may elect to charge a fee on funds raised through the Kiva website. During 2025 and 2024, there was no Kiva fee charged on funds raised through the Kiva website. As of December 31, 2025 and 2024, the maximum credit limit of funds that iDE may raise through Kiva was $800,000. The maximum credit limit is determined based on Kiva's MFI risk rating model.

As of December 31, 2025 and 2024, the outstanding balance of funds raised through Kiva was $247,790 and $298,776, respectively.

The following is a schedule of the future minimum principal payments due on all notes as of December 31 2025:

Years ending December 31:		
2026	$	235,225
2027		12,565
	$	247,790

Note 9. Line of Credit

At March 26, 2024, iDE had a new line of credit with a financial institution with maximum borrowing of up to $1,000,000. The line of credit expired on March 26, 2025, and accrued interest at 8.50%. At December 31, 2024, no amounts were outstanding on the line of credit.

On March 25, 2025, iDE entered into a new line of credit with a financial institution with maximum borrowing of up to $750,000. The line of credit expired on March 25, 2026 and accrues interest at a rate of 7.5%. At December 31, 2025, $300,000 was outstanding on the line of credit.

On May 29, 2026, iDE entered into a new line of credit with a financial institution with maximum borrowing of up to $200,000. The line of credit is set to expire on May 29, 2027, and accrues interest at a rate of 7.25%.

Note 10. Commitments and Contingencies

International operations: iDE has field offices in various countries in Africa, Asia and Central America. The future results of iDE's programs could be adversely affected by a number of potential factors such as changes in the political climate, inflation and currency fluctuation.

Federal and nonfederal grants: iDE participates in a number of federally assisted grant programs, which are subject to financial and compliance audits by the United States Agency for International Development (USAID) or their representatives. As such, there exists a contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments as a result of such audits.

Note 10. Commitments and Contingencies (Continued)

Litigation: iDE is involved in various claims and legal actions arising in the ordinary course of business. Based upon information currently available, management believes the ultimate disposition of these matters will not have a material adverse effect on its financial position, changes in net assets or cash flows.

Note 11. Subsequent Events

In early 2026, iDE completed the sale of its 100% ownership interest in Hydrologic Social Enterprise Company Limited pursuant to a share purchase agreement for total consideration of $500,000. Hydrologic Social Enterprise Company Limited's results of operations are included in the accompanying 2025 consolidated financial statements.

During 2025, iDE completed the wind-down of its United Kingdom legal entity, iDE UK, and substantially transferred or settled the entity's remaining assets, liabilities, and operations. In early 2026, iDE UK was legally dissolved under applicable United Kingdom corporate regulations. The results of iDE UK's operations are included in the accompanying 2025 consolidated financial statements. Upon completion of the wind-down, the remaining net assets of iDE UK were transferred to the iDE USA business unit.