

INTERNATIONAL DEVELOPMENT ENTERPRISES
Lakewood, Colorado

FINANCIAL STATEMENTS
December 31, 2009 and 2008

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Independent Auditor's Report

Board of Directors
Finance Committee
International Development Enterprises
Lakewood, Colorado

We have audited the accompanying statements of financial position of International Development Enterprises (IDE) as of December 31, 2009 and 2008, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of IDE's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Development Enterprises as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 12 to the financial statements, IDE restated the 2008 financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2010 on our consideration of International Development Enterprises' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of IDE taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Greenwood Village, Colorado
June 30, 2010

INTERNATIONAL DEVELOPMENT ENTERPRISES
STATEMENTS OF FINANCIAL POSITION
December 31, 2009 and 2008

ASSETS

	<u>Unrestricted</u>	2009 <u>Temporarily Restricted</u>	<u>Total</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,556,624	\$ -	\$ 1,556,624
Cash and cash equivalents committed to grant purposes	-	6,544,147	6,544,147
Investments	717,406	-	717,406
Accounts receivable, less allowance for doubtful accounts, 2009 - \$78,673 and 2008 - \$159,091	163,546	-	163,546
Grants receivable	516,277	9,675,277	10,191,554
Inventories for sale	147,991	-	147,991
Prepaid expenses and other current assets	<u>907,897</u>	<u>-</u>	<u>907,897</u>
Total current assets	<u>4,009,741</u>	<u>16,219,424</u>	<u>20,229,165</u>
CAPITAL ASSETS, NET	<u>146,221</u>	<u>-</u>	<u>146,221</u>
OTHER ASSETS			
Deposits	<u>9,282</u>	<u>-</u>	<u>9,282</u>
TOTAL ASSETS	<u>\$ 4,165,244</u>	<u>\$ 16,219,424</u>	<u>\$ 20,384,668</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,387,877	\$ -	1,387,877
Deferred grant revenue	<u>1,115,857</u>	<u>-</u>	<u>1,115,857</u>
Total current liabilities	2,503,734	-	2,503,734
NET ASSETS	<u>1,661,510</u>	<u>16,219,424</u>	<u>17,880,934</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,165,244</u>	<u>\$ 16,219,424</u>	<u>\$ 20,384,668</u>

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

INTERNATIONAL DEVELOPMENT ENTERPRISES
STATEMENTS OF FINANCIAL POSITION
December 31, 2009 and 2008

ASSETS

	<u>Unrestricted</u>	<u>2008 Temporarily Restricted</u>	<u>Total</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 644,224	\$ -	\$ 644,224
Cash and cash equivalents committed to grant purposes	-	5,565,908	5,565,908
Investments	574,091	-	574,091
Accounts receivable, less allowance for doubtful accounts, 2009 - \$78,673 and 2008 - \$159,091	274,226	-	274,226
Grants receivable	549,699	10,025,590	10,575,289
Inventories for sale	60,745	-	60,745
Prepaid expenses and other current assets	<u>1,680,504</u>	<u>-</u>	<u>1,680,504</u>
Total current assets	<u>3,783,489</u>	<u>15,591,498</u>	<u>19,374,987</u>
CAPITAL ASSETS, NET	<u>27,469</u>	<u>-</u>	<u>27,469</u>
OTHER ASSETS			
Deposits	<u>5,300</u>	<u>-</u>	<u>5,300</u>
TOTAL ASSETS	<u>\$ 3,816,258</u>	<u>\$ 15,591,498</u>	<u>\$ 19,407,756</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,703,075	-	1,703,075
Deferred grant revenue	<u>838,709</u>	<u>-</u>	<u>838,709</u>
Total current liabilities	2,541,784	-	2,541,784
NET ASSETS	<u>1,274,474</u>	<u>15,591,498</u>	<u>16,865,972</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,816,258</u>	<u>\$ 15,591,498</u>	<u>\$ 19,407,756</u>

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

INTERNATIONAL DEVELOPMENT ENTERPRISES
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended December 31, 2009 and 2008

	2009		Total
	Unrestricted	Temporarily Restricted	
REVENUES, GAINS AND OTHER SUPPORT			
Grant revenue			
Federal grants	\$ 1,542,337	\$ -	\$ 1,542,337
Other grants	<u>3,757,720</u>	<u>9,675,277</u>	<u>13,432,997</u>
Total grant revenue	5,300,057	9,675,277	14,975,334
Donations	462,638	-	462,638
Field and program revenue	1,309,748	-	1,309,748
Investment income	91,471	-	91,471
Other income	31,531	-	31,531
Net assets released from restrictions	<u>9,047,351</u>	<u>(9,047,351)</u>	<u>-</u>
Total revenues, gains and other support	<u>16,242,796</u>	<u>627,926</u>	<u>16,870,722</u>
EXPENSES			
Program services			
Cambodia	1,790,188	-	1,790,188
Vietnam	435,525	-	435,525
Bangladesh	664,385	-	664,385
Nepal	1,724,433	-	1,724,433
Zambia	1,114,223	-	1,114,223
Zimbabwe	175,503	-	175,503
Ghana	364,163	-	364,163
Ethiopia	1,298,605	-	1,298,605
India	4,324,860	-	4,324,860
Dutch platform	1,061,329	-	1,061,329
RPI	1,130,886	-	1,130,886
Other projects	<u>367,649</u>	<u>-</u>	<u>367,649</u>
Total program services	14,451,749	-	14,451,749
General and administrative	1,321,750	-	1,321,750
Fundraising	<u>82,261</u>	<u>-</u>	<u>82,261</u>
Total expenses	<u>15,855,760</u>	<u>-</u>	<u>15,855,760</u>
CHANGE IN NET ASSETS	387,036	627,926	1,014,962
NET ASSETS, BEGINNING OF YEAR	<u>1,274,474</u>	<u>15,591,498</u>	<u>16,865,972</u>
NET ASSETS, END OF YEAR	<u>\$ 1,661,510</u>	<u>\$ 16,219,424</u>	<u>\$ 17,880,934</u>

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

INTERNATIONAL DEVELOPMENT ENTERPRISES
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended December 31, 2009 and 2008

	<u>Unrestricted</u>	<u>2008 Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Grant revenue			
Federal grants	\$ 957,059	\$ -	\$ 957,059
Other grants	<u>3,739,861</u>	<u>10,025,590</u>	<u>13,765,451</u>
Total grant revenue	4,696,920	10,025,590	14,722,510
Donations	835,184	-	835,184
Field and program revenue	1,369,055	-	1,369,055
Investment income	232,589	-	232,589
Other income	219,915	-	219,915
Net assets released from restriction	<u>7,293,029</u>	<u>(7,293,029)</u>	<u>-</u>
Total revenues, gains and other support	<u>14,646,692</u>	<u>2,732,561</u>	<u>17,379,253</u>
EXPENSES			
Program services			
Cambodia	1,030,646	-	1,030,646
Myanmar	650,900	-	650,900
Vietnam	513,212	-	513,212
Bangladesh	462,559	-	462,559
Nepal	1,435,001	-	1,435,001
Zambia	1,062,681	-	1,062,681
Zimbabwe	187,390	-	187,390
Ethiopia	696,307	-	696,307
India	2,632,622	-	2,632,622
Dutch platform	956,908	-	956,908
RPI	2,814,337	-	2,814,337
Other projects	<u>244,988</u>	<u>-</u>	<u>244,988</u>
Total program services	12,687,551	-	12,687,551
General and administrative	1,471,472	-	1,471,472
Fundraising	<u>67,791</u>	<u>-</u>	<u>67,791</u>
Total expenses	<u>14,226,814</u>	<u>-</u>	<u>14,226,814</u>
CHANGE IN NET ASSETS	419,878	2,732,561	3,152,439
NET ASSETS, BEGINNING OF YEAR - AS RESTATED	531,246	12,858,937	13,390,183
Assets and liabilities transferred to IDE Myanmar	<u>323,350</u>	<u>-</u>	<u>323,350</u>
NET ASSETS, END OF YEAR	<u>\$ 1,274,474</u>	<u>\$ 15,591,498</u>	<u>\$ 16,865,972</u>

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

INTERNATIONAL DEVELOPMENT ENTERPRISES
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2009

	<u>Cambodia</u>	<u>Vietnam</u>	<u>Bangladesh</u>	<u>Nepal</u>	<u>Zambia</u>	<u>Zimbabwe</u>	<u>Ghana</u>
Personnel and benefits	\$ 763,798	\$ 200,743	\$ 363,715	\$ 703,051	\$ 555,427	\$ 113,179	\$ 197,981
Consulting	16,336	4,779	5,026	3,681	-	210	-
Administrative	95,533	48,877	82,986	169,976	211,017	18,979	24,113
Travel and training	172,290	39,465	23,510	186,322	96,111	23,342	25,702
Implementation expense	360,397	100,394	107,769	338,874	56,885	12,347	27,154
Contracts with other organizations	70,557	5,942	397	86,249	63,609	-	-
Capital expenses	546	4,630	38,143	3,557	25,873	-	46,788
Depreciation	-	-	-	-	-	-	-
Cost of goods sold	253,529	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-
Other	<u>475</u>	<u>269</u>	<u>12</u>	<u>6,500</u>	<u>4,001</u>	<u>-</u>	<u>560</u>
Subtotal	1,733,461	405,099	621,558	1,498,210	1,012,923	168,057	322,298
General and administrative	<u>56,727</u>	<u>30,426</u>	<u>42,827</u>	<u>226,223</u>	<u>101,300</u>	<u>7,446</u>	<u>41,865</u>
TOTAL	<u>\$ 1,790,188</u>	<u>\$ 435,525</u>	<u>\$ 664,385</u>	<u>\$ 1,724,433</u>	<u>\$ 1,114,223</u>	<u>\$ 175,503</u>	<u>\$ 364,163</u>

Ethiopia	India Gates II	Dutch Platform	RPI	Other	Total Program Services	G&A	Total Expenses
\$ 344,657	\$ -	\$ 471,903	\$ 377,498	\$ 70,025	\$ 4,161,977	\$ 955,871	\$ 5,117,848
2,033	-	6,975	31,397	76,781	147,218	1,908	149,126
137,772	-	-	-	35,344	824,597	171,542	996,139
117,709	-	-	-	35,029	719,480	330,389	1,049,869
126,160	-	-	-	25,008	1,154,988	630,209	1,785,197
294,166	4,324,860	444,017	598,281	53,776	5,941,854	134,398	6,076,252
152,117	-	-	-	846	272,500	27,906	300,406
-	-	-	-	-	-	28,105	28,105
-	-	-	-	-	253,529	-	253,529
-	-	-	-	-	-	82,261	82,261
-	-	-	-	5,211	17,028	-	17,028
<u>1,174,614</u>	<u>4,324,860</u>	<u>922,895</u>	<u>1,007,176</u>	<u>302,020</u>	<u>13,493,171</u>	<u>2,362,589</u>	<u>15,855,760</u>
<u>123,991</u>	<u>-</u>	<u>138,434</u>	<u>123,710</u>	<u>65,629</u>	<u>958,578</u>	<u>(958,578)</u>	<u>-</u>
<u>\$ 1,298,605</u>	<u>\$ 4,324,860</u>	<u>\$ 1,061,329</u>	<u>\$ 1,130,886</u>	<u>\$ 367,649</u>	<u>\$ 14,451,749</u>	<u>\$ 1,404,011</u>	<u>\$ 15,855,760</u>

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

INTERNATIONAL DEVELOPMENT ENTERPRISES
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2008

	<u>Cambodia</u>	<u>Myanmar</u>	<u>Vietnam</u>	<u>Bangladesh</u>	<u>Nepal</u>	<u>Zambia</u>
Personnel and benefits	\$ 284,568	\$ 19,628	\$ 205,783	\$ 305,156	\$ 700,954	\$ 562,581
Consulting	26,936	-	8,478	3,671	25,142	20,480
Administrative	124,125	62,544	56,231	47,139	99,534	103,267
Travel and training	89,158	12,981	87,492	85,313	261,734	290,209
Marketing and promotion	140,764	61,063	111,367	4,571	85,528	6,112
Contracts with other organizations	-	356,945	14,338	-	6,354	29,370
Research and development	8,051	13,802	1,879	1,958	29,163	547
Studies and evaluation	78,494	5,159	21,393	6,312	7,014	1,084
Capital expenses	-	1,625	6,251	8,439	15,485	49,031
Depreciation	2,031	-	-	-	-	-
Cost of goods sold	276,519	117,153	-	-	-	-
Fundraising	-	-	-	-	-	-
Other	-	-	-	-	27,626	-
Subtotal	<u>1,030,646</u>	<u>650,900</u>	<u>513,212</u>	<u>462,559</u>	<u>1,258,534</u>	<u>1,062,681</u>
General and administrative	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,467</u>	<u>-</u>
TOTAL	<u><u>\$ 1,030,646</u></u>	<u><u>\$ 650,900</u></u>	<u><u>\$ 513,212</u></u>	<u><u>\$ 462,559</u></u>	<u><u>\$ 1,435,001</u></u>	<u><u>\$ 1,062,681</u></u>

Zimbabwe	Ethiopia	India Gates II	Dutch Platform	RPI	Other	Total Program Services	G&A	Total Expenses
\$ 131,797	\$ 226,695	\$ -	\$ 421,484	\$ 318,902	\$ 55,977	\$ 3,233,525	\$ 1,451,565	\$ 4,685,090
11,969	29,799	-	181,587	1,048,510	80,316	1,436,888	118,074	1,554,962
11,871	91,606	-	-	-	14,578	610,895	179,247	790,142
15,854	111,479	-	1,252	125,857	34,453	1,115,782	203,546	1,319,328
-	47,837	-	-	-	12	457,254	47,523	504,777
-	59,300	2,506,366	35,189	678,218	39,500	3,725,580	286,057	4,011,637
-	52,906	-	-	76,052	-	184,358	-	184,358
-	21,645	-	-	1,419	-	142,520	-	142,520
15,899	55,040	126,256	-	63,500	845	342,371	-	342,371
-	-	-	-	-	-	2,031	12,435	14,466
-	-	-	-	-	-	393,672	-	393,672
-	-	-	-	-	-	-	67,791	67,791
-	-	-	-	-	-	27,626	188,074	215,700
187,390	696,307	2,632,622	639,512	2,312,458	225,681	11,672,502	2,554,312	14,226,814
-	-	-	317,396	501,879	19,307	1,015,049	(1,015,049)	-
<u>\$ 187,390</u>	<u>\$ 696,307</u>	<u>\$ 2,632,622</u>	<u>\$ 956,908</u>	<u>\$ 2,814,337</u>	<u>\$ 244,988</u>	<u>\$ 12,687,551</u>	<u>\$ 1,539,263</u>	<u>\$ 14,226,814</u>

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

INTERNATIONAL DEVELOPMENT ENTERPRISES
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2009 and 2008

	2009		
	Unrestricted	Temporarily Restricted	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ 387,036	\$ 627,926	\$ 1,014,962
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities			
Depreciation	28,105	-	28,105
Provision for bad debts	(80,418)	-	(80,418)
Unrealized loss on investments	(6,143)	-	(6,143)
Donated inventory	(79,303)	-	(79,303)
Effects of changes in operating assets and liabilities:			
Accounts receivable	191,098	-	191,098
Grants receivable	33,422	350,313	383,735
Inventories for sale	(7,943)	-	(7,943)
Prepaid expenses and other current assets	772,607	-	772,607
Deposits	(3,982)	-	(3,982)
Accounts payable and accrued liabilities	(315,198)	-	(315,198)
Deferred grant revenue	277,148	-	277,148
Net cash provided by operating activities	<u>1,196,429</u>	<u>978,239</u>	<u>2,174,668</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(146,857)	-	(146,857)
Purchase of investments	(700,000)	-	(700,000)
Sale of investments	562,828	-	562,828
Net cash used in investing activities	<u>(284,029)</u>	<u>-</u>	<u>(284,029)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	912,400	978,239	1,890,639
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>644,224</u>	<u>5,565,908</u>	<u>6,210,132</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,556,624</u>	<u>\$ 6,544,147</u>	<u>\$ 8,100,771</u>
SUPPLEMENTARY DISCLOSURES:			
Interest expense paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

During 2009, IDE assumed assets and liabilities of an affiliate organization, IDE-USA. Non-cash assets assumed consisted of accounts receivables in the amount of \$103,459, investments of \$10,518, and property and equipment of \$9,791. Accounts payable and accrued liabilities assumed totaled \$12,037.

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

INTERNATIONAL DEVELOPMENT ENTERPRISES
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2009 and 2008

	2008		
	Unrestricted	Temporarily Restricted	Total
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ 419,878	\$ 2,732,561	\$ 3,152,439
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities			
Depreciation	14,466	-	14,466
Provision for bad debts	156,058	-	156,058
Unrealized gain (loss) on investments	6,257	-	6,257
Transfer of assets to IDE-Myanmar	142,589	-	142,589
Effects of changes in operating assets and liabilities:			
Accounts receivable	(396,658)	-	(396,658)
Grants receivable	(161,211)	(6,272,250)	(6,433,461)
Interest receivable	12,570	-	12,570
Inventories for sale	(34,014)	-	(34,014)
Prepaid expenses and other current assets	222,326	-	222,326
Deposits	377	-	377
Accounts payable and accrued liabilities	856,034	-	856,034
Deferred grant revenue	(320,293)	-	(320,293)
Net cash provided by operating activities	<u>918,379</u>	<u>(3,539,689)</u>	<u>(2,621,310)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(20,608)	-	(20,608)
Purchase of investments	(561,302)	-	(561,302)
Sale of investments	307,755	1,081,482	1,389,237
Net cash provided by investing activities	<u>(274,155)</u>	<u>1,081,482</u>	<u>807,327</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	644,224	(2,458,207)	(1,813,983)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>	<u>8,024,115</u>	<u>8,024,115</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 644,224</u>	<u>\$ 5,565,908</u>	<u>\$ 6,210,132</u>
SUPPLEMENTARY DISCLOSURES:			
Interest expense paid	<u>\$ 2,444</u>	<u>\$ -</u>	<u>\$ 2,444</u>

During 2008, IDE transferred assets and liabilities to an affiliate organization, IDE- Myanmar. Assets transferred consisted of cash in the amount of \$142,589 and prepaid expenses in the amount of \$31. Accounts payable and accrued liabilities in the amount of \$80,730 along with a note payable in the amount of \$100,000 were transferred to the affiliate.

As discussed in note 12, 2008 balances were restated to reflect the 2009 merger with IDE-USA.

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

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

International Development Enterprises (IDE) was incorporated on October 1, 1982, under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania as a multi-national not-for-profit public charity.

In recent years, the work of IDE gave rise to the establishment of similar organizations in other countries (Canada, United Kingdom, and India). Together, the organizations were instrumental in founding an umbrella organization, IDE International, established as a foundation in Switzerland in October 2002. The Organization also began doing business as IDE-USA during 2002.

On December 31, 2005, IDE International transferred substantially all its assets and liabilities to IDE-USA. At the same time, IDE-USA adopted new by-laws and installed the IDE International Board as the governing entity of IDE-USA. IDE-USA then returned to using its original name, International Development Enterprises (IDE). The Board of IDE-USA became the governing body for a division of IDE. That division was to fulfill the same role of fundraising and project oversight that IDE Canada and IDE UK served. The above reorganization was undertaken to better utilize the resources of IDE and its sister organizations.

In mid 2006, IDE-USA decided that it would be better served if it were a legally independent organization. As such, IDE-USA elected to establish a new legal entity effective January 1, 2008. Yet, effective May 1, 2009 IDE-USA decided that it is unable to operate independently of IDE, and should therefore be consolidated. IDE-USA activity is included in the financial statements for 2008 and 2009 as a division of IDE under the pooling of interest method. See Note 11 for more information.

Effective April 1, 2008, IDE-Myanmar became a legally independent organization. As a result, IDE-Myanmar activity is included in the financial statements as a division of IDE through March 31, 2008.

IDE's organizational mission and ten year vision is to help 20 million smallholder farm families in developing countries move beyond subsistence poverty through increased income generation. IDE works to accomplish this mission within three core program areas: 1) Prosperity realized through an model of irrigation market involvement and facilitation, called PRISM (Prosperity Realized through Irrigation and Smallholder Markets), 2) water and sanitation for potable water supply, and 3) social marketing for improved health.

Program Services

IDE maintains country programs in Asia and Africa including Bangladesh, Cambodia, Ethiopia, Myanmar (affiliate), Nepal, Vietnam, Zambia, Zimbabwe, Ghana, Mozambique, Nicaragua, Honduras, Guatemala, and India (affiliate). In addition, the Gates and Dutch platform program services include certain domestically implemented services that relate to foreign operations. Employing more than 500 staff (98 percent in the field), most country programs are staffed by nationals and managed by a Country Director.

In adopting a market-driven philosophy, IDE has focused its efforts on creating sustainable networks of supply chain manufacturers, assemblers, retailers, and installers of affordable water-resource technologies. The hallmark of IDE's program successes lay in five key principles

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

to market creation for the poor: 1) local ownership, 2) client participation, 3) rapid return on investment, 4) affordable cost and 5) market sustainability.

To enable the smallholder farmers to produce for high value markets, IDE endeavors to ensure that the technologies and techniques required can be purchased and accessed in divisible packages. IDE evaluates their accomplishments of mission objectives by measuring incremental income at the household level, total scale of “customers” and cost effectiveness.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restrictions are satisfied by payments in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction is satisfied by payments, temporarily restricted net assets are reclassified to unrestricted net assets. There were two grants that were determined to be restricted by donors for the years ended December 31, 2009 and 2008, and are classified as temporarily restricted revenues and net assets.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocation of general and administrative expense represents program expenditures incurred in the support of those program activities.

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).

Property and Equipment

Property and equipment valued at \$1,000 or greater with estimated useful lives greater than one year are capitalized at cost and depreciated over the estimated useful life of each asset ranging from five to seven years. Annual depreciation is computed using the straight-line method.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IDE reports gifts of property, plant and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

The cost of certain equipment used by IDE in operations is not reflected in the statement of financial position because the asset title remains with the grantor. IDE has reported revenue and program expense in the accompanying statement of activities for the free use of the equipment and for utilities during the years ended December 31, 2009 and 2008.

Foreign Exchange

At December 31, 2009, all of IDE's grants receivable are payable to IDE in U.S. dollars, except for various grants which are payable in the Euro, Bangladeshi Taka, and Nepalese Rupees. Foreign exchange gains of \$1,495 and \$11,003 were recognized in 2009 and 2008, respectively.

Cash and Cash Equivalents

IDE considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Cash and cash equivalents committed to grant purposes represents cash advanced from donors and foundations for grants not yet expended on allowable grant purposes.

Revenue Recognition

IDE recognizes revenue for contributions (and grants considered to be contributions) based upon the presence or absence of donor-imposed conditions. For those contributions absent of donor-imposed conditions, revenues are recognized at the time IDE is notified of the contribution and that promise is verified, regardless of the timing of cash receipt. For contributions with donor-imposed conditions, revenues are recognized at the time the conditions are substantially met, regardless of the timing of cash receipt.

IDE reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as released from restrictions.

Temporarily restricted contributions, which are received and expended within the same fiscal year, are recognized as unrestricted net assets.

Revenue received in advance of the performance of services deemed to be exchange transactions are deferred until such time as related expenditures are incurred and then revenue is recognized. Deferred revenue amounts are included under the caption "Deferred grant revenue" on the statements of financial position.

For exchange transactions, IDE recognizes field and program revenue as it is earned and expenses as they are incurred.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts and Grants Receivable

Accounts receivable are uncollateralized obligations arising from grant expenses paid on behalf of affiliate organizations (see Note 3) and generally require payment within thirty to sixty days from the date of the expenditure. IDE does charge interest on delinquent accounts.

IDE receives grants from philanthropically focused organizations for investment in IDE's mission related projects. Grants receivable consist of funding commitments from those organizations which have not been received.

Included in accounts receivable are contributions receivable totaling \$10,000 and \$0 as of December 31, 2009 and 2008, respectively, which are on-line contributions collected by a third party on IDE's behalf.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market and consist of pumps, water filters, and drip irrigation equipment held for sale in various countries. IDE received a donation of drip irrigation equipment which is included in total inventory at fair market value at December 31, 2009.

Impairment of Long-Lived Assets

IDE reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an 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 fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell. There were no impairments recognized by IDE for the years ended December 31, 2009 and 2008.

Fair Value of Investments

The fair value of equity and mutual fund investments is determined at the value for which the investments are traded on public exchanges. The fair value of money market funds is determined at cost plus earned interest.

New Accounting Pronouncements

On January 1, 2009, IDE adopted FASB's new accounting requirements for accounting for uncertain tax positions. Under these new requirements, a tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. IDE determined that there was no liability related to uncertain tax positions as a result of implementing the new requirements.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In June 2009, FASB issued Statement of Financial Accounting Standard No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles* (SFAS 168). SFAS 168 established the FASB Accounting Standards Codification as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. generally accepted accounting principles. SFAS 168 was effective for financial statements issued for interim and annual periods ending after September 15, 2009 for most entities. On the effective date, all non-SEC accounting and reporting standards were superseded. IDE adopted SFAS 168 for the year ended December 31, 2009, as required, and the adoption did not have a material impact on IDE's financial statements taken as a whole.

Subsequent Events

Management evaluated subsequent events through June 30, 2010, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2009, but prior June 30, 2010, that provided additional evidence about conditions that existed at December 31, 2009 have been recognized in the financial statements for the year ended December 31, 2009. Events or transactions that provided evidence about conditions that did not exist at December 31, 2009, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended December 31, 2009.

NOTE 2 – GRANTS

A summary of donors with projects over \$50,000 is as follows:

Bill and Melinda Gates Foundation

The programs develop small plot water technologies, technology markets, and connect farmers to fruit and vegetable markets in Ethiopia, Zambia, Nepal and Myanmar. There are two primary projects covering a four-year period under the Gates program which are Water Control Technology Design and Development and Value Chain Implementation. The purpose of these projects is to develop efficient small-plot water technologies that are affordable for the rural poor earning \$1 a day, and to implement value chains for high-value marketable agricultural products utilizing such technologies. In 2007, the Bill and Melinda Gates Foundation funded a second multi-year project that focused on India. The objective is to increase the net income of 250 thousand smallholder farm families in India by at least \$400 per year on average; and increase the net income of at least an additional 1,200 small farm families in other global locations by applying and scaling up the lessons learned from the India project.

Dutch Ministry of Foreign Affairs

The program is supported in conjunction with the Bill and Melinda Gates Foundation to develop small plot water technologies, technology markets, and connect farmers to fruit and vegetable markets. Through this program, water control technologies will be developed and functioning market systems will be established in Bangladesh, Ethiopia, Myanmar, Nepal, Vietnam and Zambia, which will result in further positive impacts on the rural poor in the future.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 2 – GRANTS (CONTINUED)

United States Agency for International Development (USAID) Smallholder Irrigation Market Initiative (SIMI)

The project is to increase the income of 27,000 small farm families through the promotion of micro-irrigation technologies and high value crop production with support from a network of service providers. The project is being implemented in seven districts in Nepal. Implementation is being carried out by a consortium of five NGO's on this USAID funded project: Winrock International (WI), International Development Enterprises, the Centre for Environment and Agriculture Policy Research and Extension (CEAPRED), SAPPROS Nepal and the Agro Enterprise Centre (AEC). The project is based in the Banke, Bardia, Surkhet, Nepalganj, Butwal, Kapalvastu, Rupendehi, Palpa, Syanga, Kaski and Nawalparasi regions of Nepal.

United States Agency for International Development (USAID) Smallholder Market Creation

This grant from USAID to IDE-Zambia is part of the project increasing rural incomes through Micro-Irrigation and Market Integration, to initiate a loan fund program for poor farmers in Zambia.

United States for International Development (USAID) NGO Strengthening

This project is designed to build organizational capacity among Zambian Non-governmental organizations and their partners to promote a sustainable market development model for rural smallholder income generation in a conflict-free environment with training workshops, on-farm agronomy and market development, monitoring and evaluation, policy analysis, conflict resolution, financial management and rural finance. There are over thirty local non-governmental and community based organizations involved in the NGO Strengthening project.

United States Agency for International Development (USAID) EIG Nepal

The Education for Income Generation and Conflict Mitigation in Nepal program targets disadvantaged and conflict-affected youth, in the most intensely conflict-affected region of Nepal. This program has been designed in order to address Nepal's need for stability and the Nepalese people's demand for quality education and employment.

United States Agency for International Development (USAID) Stop Avian Influenza

This Nepal Avian Influenza Community Monitoring and Capacity Building Program is to be implemented jointly with the Department of Livestock Services with the goal to assist in the rapid and effective implementation of the NAIIPPRP and DSL programs.

Given the probability that Nepal will in fact have an outbreak in the near term, this project represents an important output to assist the DSL. The program will work in the five Eastern districts where risks are highest due to recent outbreaks in Bangladesh and India.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 2 – GRANTS (CONTINUED)

United States Agency for International Development (USAID) UNC

The focus of this project is to be on catalyzing private sector approaches for the design, production, marketing, and distribution of safe, affordable and desirable products and services in the following areas: household water treatment, water supply, safe water storage, hygiene and sanitation. These products and services will be targeted to lower-income market segments, beginning in Cambodia, Vietnam, and Laos. UNC will explore joint venture opportunities with its regional partners to market these products and services.

IWMI - Agricultural Water Management Landscape Analysis

3-year program to evaluate options for the improvement of smallholder AWM and to create and disseminate a portfolio of promising interventions that can be deployed in support of agrarian poverty reduction for female and male smallholders in Sub-Saharan Africa (SSA) and South Asia (SA). The research will assess promising, pro-poor AWM interventions and their 'market potential', analyze which technologies 'fit' in which environments, recommend out-scaling strategies, and assess environmental risks. The project will utilize a nested scale approach to examine AWM interventions at the farm-, community-, watershed, and national/regional levels.

Research into Use – Bangladesh

This initiative focuses on scaling-up the proven technologies to new direct and indirect beneficiaries, through delivery of training and support for improved tilapia broodfish supply. IDE will ensure the sufficient capacity among private sector actors (broodfish producers, fingerling traders and table fish growers) to absorb and utilize the rapid upturn in fingerling supply that will result from this promotion.

CIDA VSF – Smallholder Prosperity Initiative

The Smallholder Prosperity Initiative aims to create high value market opportunities and a commercial supply of micro-irrigation technologies for men and women smallholder farmers in Bacho Woreda, Ethiopia.

SwissContact – IMS

The Developing Business Service Markets (DBSM) project in Bangladesh aims to design and implement market development interventions.

United States Agency for International Development (USAID) – DAI

The USAID-funded Cambodia MSME 2/Business Enabling Environment Project is being implemented by Development Alternatives, Inc. (DAI). The Project aims to improve the performance of firms in select value chains, support public-private dialogue and strengthen the public sector through targeted technical assistance. The project will have a geographic coverage of twelve provinces in Cambodia including Battambang, Siem Reap, Prey Veng, Kandal, Kampong Cham, Kampong Thom, Kratie, Kampot, Pursat, Kampong Speu, Takeo, and Svay Rieng. The water and sanitation value chain is one of the most important for the project.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 2 – GRANTS (CONTINUED)

Misereor

Misereor funds projects in Nepal and Cambodia pertaining to manual irrigation pumps, research and development of animal driven irrigation pumps, and refinement of manual irrigation technology. In Nepal, Misereor facilitates Poverty Reduction through Organization of Farmers (PROOF). PROOF reduces rural poverty through micro-enterprise development, and federation of farmer self-help groups. In Cambodia, the fund assists in the commercialization of drip irrigation.

United States Agency for International Development (USAID) Manual Well Drilling

The manual well drilling project is designed to expand this proven option to a much larger number of farmers and set the stage for scaling up manual well drilling throughout Ethiopia wherever geological and groundwater conditions are favorable. The goal of the project is to trigger widespread dissemination and establishment of low-cost, manual, well drilling methods in Ethiopia.

IWMI - Models for Implementing Multiple-use Systems for Enhanced Land and Water Productivity, Rural Livelihood and Gender Equity (MUS Project)

The MUS project seeks to design, test and promote models, guidelines and tools for the upgrading of existing systems to systems where sources and users are effectively integrated. The ultimate objectives of the project are to enhance land and water productivity, improve rural livelihoods and promote gender equity. The project is funded by Challenge Program for Water and Food.

NZAID – Cambodia

A project with New Zealand Agency for International Development to host the administrative and support functions for an Agribusiness Development Facility in Cambodia. This program provides business development service to agri-business in two provinces.

Water Control and Sustainable Water Use in Coffee-Nicaragua

This project is funded by NESTEC Ltd, Atlantic SA, IDE-Canada and Jack Keller. This project is based on an initial assessment of the applicability of low-cost microirrigation in coffee.

The World Fish Center (ICLARM) – CAARP

This project aims to re-establish and enhance productive capacity of cyclone Sidr affected fish, bagda and golda farmers to contribute to the restoration of the poorest families' livelihoods living in six Districts across the south and south-western areas of Bangladesh. The project objective will be to reach more farmers with a strengthened exit strategy objective; to ensure that new and CAARP farmers are able to sustain improved production systems (compared to pre-Sidr) with enhanced resilience and reduced vulnerability to future shocks and disasters.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 2 – GRANTS (CONTINUED)

Katalyst

This project is for training for agriculture service delivery in Bangladesh. This program, initiated in Bogra in November 2005, is funded by Katalyst and works in partnership with Swisscontact. The objective is to enhance the capacity and competitiveness of the private sector working in the agricultural input delivery and poultry subsectors in the region.

CARE – ADAPT

The project aims to expand access to cost-effective agro inputs to 10,000 households in selected rural areas in 5 districts (Kabwe/Chibombo, 3,500; Lufwanyama/Kalulushi, 3,300; and Masaiti districts, 3,200). This will involve 50 agents' effectively saving around 200 households each. Noting that the intervention is private sector focused, probable chances of sustainability are high. Consequently, this will lead to increased productivity, production, diversified markets, household income and improved livelihoods. The outcome will be a sustained input supply agency system.

World Bank

This contract is between World Bank Water and Sanitation Program and IDE Cambodia to conduct a Sanitation Demand Study and a Sanitation Marketing Pilot Project.

OXFAM

IDE Vietnam has been awarded for two projects by OXFAM, one that focuses on hygiene and sanitation and a second one that focuses in creating sustainable livelihood opportunities for poor families, both implemented in the Dakrong district of Vietnam. The Hygiene and Sanitation project aims to develop a replicable model for sustainable hygiene and sanitation improvement in poor upland areas of Vietnam by adopting strategies of rural marketing, social marketing, and private sector capacity which are shown successful in lowland areas. The Livelihood project aim is to enable small families in the upland district to invest into higher-yielding, profitable on-farm activities that will ensure food security and increase incomes and to build demand for FDP to the level where local production in the uplands is a viable enterprise. Through rural marketing and supply chain capacity building, 250 farmers are expected to adopt FDP after three years. These families will increase their rice yield by as much as 100% and produce at least enough rice to satisfy household consumption needs.

CODESPA

CODESPA awarded three grants to IDE Vietnam for projects that aim to promote the economic framework and private sector development through business development, technological and financial services and to improve, in a sustainable way, poor farmer's rice production by integrating them into markets for fertilizer pellets with fertilizer deep placement.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 2 – GRANTS (CONTINUED)

SEILA

The purpose of this grant, awarded by the Cambodian Ministry of Interior to IDE Cambodia, is to extend the scope of work for the Strategic Study of Groundwater Resources in Prey Veng and Svay Rieng (Phase II) to include a qualified technical review of the surveys methods and results, to conduct a manual leveling survey to independently check the locations and elevations of at least three of the monitoring wells relative to an established benchmark, and to provide interpretation and recommendations.

CIDA - Smallholder Market Development-PRISM

CIDA supports market assessment of high-value crops and expansion of Private Extension Agents (PEA). PEAs are IDE-supported micro-entrepreneurs that travel in their area encouraging smallholders to start or expand vegetable crops.

Scaling-Up of Productive Water (Micro-Irrigation)

This grant was awarded by the government of Switzerland. The purpose of this grant is to provide equitable access to water for all. The overall objectives are to scale up proven technologies with a proven supply chain dissemination approach and reach 300,000 farmers with improved micro-irrigation and three million poor households with safe water through chlorination. The grant also has the goal of influencing and promoting two emerging global alliances (micro-irrigation, household water treatment) and through the alliances, orient the water sector.

Enterprise Works/VITA

This grant is between Enterprise Works/Vita (EWV) and IDE Cambodia. This grant aims to coordinate the importation of 5,000 water purification units (Crystal Pur) from EWV into Cambodia and IDE Cambodia is to coordinate and provide an assessment of household impact of at least 50 households that have purchased and used a Crystal Pur water filter for at least three months.

Agricultural Input Supply Delivery Bangladesh

The Agricultural Input Supply Delivery (AISD) Bangladesh focuses on improving the availability of quality seed, pesticides and fertilizers to small farmers.

NOTE 3 – AFFILIATE ORGANIZATION TRANSACTIONS

IDE works with related non-U.S. based not-for-profit organizations with similar purposes, goals and policies. At present, these organizations include IDE-Canada, IDE-India, IDE-UK and IDE-Myanmar. The Boards and staff of these organizations work in a close relationship in designing, financing and executing projects worldwide.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 3 – AFFILIATE ORGANIZATION TRANSACTIONS (CONTINUED)

IDE – Canada

Included in accounts receivable are amounts due from IDE-Canada of \$50,498 and \$70,227 for grant expenses paid on behalf of IDE-Canada by IDE at December 31, 2009 and 2008, respectively.

Included in accounts payable are amounts due to IDE-Canada of \$0 and \$81,000 for grant expenses paid on behalf of IDE by IDE-Canada at December 31, 2009 and 2008, respectively.

IDE – India

IDE-India was originally a subsidiary of IDE and established independence from IDE in 2004. During 2009 and 2008, IDE contracted with IDE India to complete various projects in India on IDE's behalf. Amounts advanced to IDE – India for 2009 and 2008 totaled \$4,058,476 and \$1,990,208, respectively, of which \$4,324,860 and \$2,632,622, respectively, was expended for projects. The remaining advance of \$749,122 and \$1,015,506 at December 31, 2009 and 2008, respectively, was recorded as a prepaid expense for future period projects to be accomplished by IDE-India.

Included in accounts payable are amounts due to IDE-India of \$0 and \$32,147 for grant expenses paid on behalf of IDE by IDE-India at December 31, 2009 and 2008, respectively.

IDE – UK

Included in accounts receivable are amounts due from IDE-UK of \$78,673 and \$32,147 for grant expenses paid on behalf of IDE-UK by IDE at December 31, 2009 and 2008, respectively.

A reserve has been recorded in allowance for doubtful accounts in the amount of \$78,673 for IDE-UK at December 31, 2009 and 2008.

IDE – Myanmar

Included in accounts payable are amounts due to IDE-Myanmar of \$332,717 and \$274,780 for grant expenses paid on behalf of IDE by IDE-Myanmar at December 31, 2009 and 2008, respectively.

NOTE 4 – FOREIGN OPERATIONS AND CONCENTRATIONS

IDE maintains significant cash balances in foreign field offices that are not readily transferable to the United States. Management does not believe these balances are at risk of loss.

Foreign Operations

For the years ended December 31, 2009 and 2008, IDE recognized revenue of \$9,675,277 and \$10,025,590, respectively, from two multi-county projects from the Bill and Melinda Gates Foundation, representing approximately 57% and 58%, respectively, of its revenues. At December 31, 2009 and 2008, receivables from the Bill and Melinda Gates Foundation represented approximately 95% and 95%, respectively, of total Grants Receivable.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 4 – FOREIGN OPERATIONS AND CONCENTRATIONS (CONTINUED)

In addition, for the years ended December 31, 2009 and 2008, IDE recognized grant revenue of \$1,641,568 and \$2,230,029, respectively, from the Dutch Ministry of Foreign Affairs, representing approximately 10% and 13%, respectively, of its revenues.

NOTE 5 – OPERATING LEASE

IDE leases office space for its headquarters under a lease expiring December 2010. Total rent expense under the lease amounted to \$57,341 and \$59,075 for the years ended December 31, 2009 and 2008, respectively. IDE leases office space and provides housing for country directors in multiple countries. Total rent expense under these leases amounted to \$191,069 and \$140,449 for the years ended December 31, 2009 and 2008, respectively.

The following is a schedule of the future minimum rental payments for the years ending December 31:

2010	\$ 90,252
2011	<u>1,964</u>
Total	<u><u>\$ 92,216</u></u>

NOTE 6 – PENSION 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. The enterprise contributes 6% of the employee's gross salary. Contributions for the years ended December 31, 2009 and 2008 amounted to \$26,797 and \$45,174, respectively.

NOTE 7 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Fair Value Measurements and Disclosures guidance provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level 2 – Observable inputs other than Level 1 prices, such as quoted process for similar assets or liabilities; quoted in active 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 that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 7 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2009 and 2008:

<u>Assets at Fair Value as of December 31, 2009</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:			
Mutual funds			
Domestic stock	\$ 12,477	\$ -	\$ -
Small blend	3,677	-	-
Core account	750	-	-
Common stock	<u>502</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 17,406</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Assets at Fair Value as of December 31, 2008</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:			
Mutual funds	<u>\$ 12,789</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 12,789</u>	<u>\$ -</u>	<u>\$ -</u>

Investment income presented on the statements of activities for the years ended December 31, is as follows:

	<u>2009</u>	<u>2008</u>
Unrealized gains and losses	\$ 6,143	\$ (6,257)
Dividends	1,728	1,641
Interest	<u>83,600</u>	<u>237,205</u>
Total	<u>\$ 91,471</u>	<u>\$ 232,589</u>

NOTE 8 – CASH ON HAND AND HELD AT BANKS

Cash and cash equivalents consist of the following at December 31:

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 1,556,624	\$ 644,224
Cash and cash equivalents committed to grant purposes	<u>6,544,147</u>	<u>5,565,908</u>
Total	<u>\$ 8,100,771</u>	<u>\$ 6,210,132</u>

IDE maintains its certificates of deposit and unrestricted cash balances in checking accounts and in a money market demand account in banks in the United States. At times, IDE's bank account balances may exceed federally insured limits. IDE has not experienced any losses in these accounts. Management does not believe IDE is exposed to any significant credit risk on cash and cash equivalents.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 8 – CASH ON HAND AND HELD AT BANKS (CONTINUED)

A portion of the cash balance is committed for the purposes of grants received, many of which are described in Note 2. The amounts of cash held at December 31, 2009 and 2008 are \$6,544,147 and \$5,565,908, respectively, that were advanced for grants that have purpose restrictions.

NOTE 9 – CONTRIBUTIONS RECEIVABLE

Included in the grants receivable balance on the statements of financial position are two promises to give from a private foundation. These amounts are due to be collected over the next year and total \$9,675,277 as of December 31, 2009.

No allowance for doubtful accounts has been established for this balance, as it is expected to be collected in full.

NOTE 10 – PROPERTY AND EQUIPMENT

Property and equipment at December 31 consists of the following:

	<u>2009</u>	<u>2008</u>
Land	\$ 29,007	\$ -
Buildings and improvements	19,846	-
Furniture and equipment	239,818	146,964
Vehicles	<u>7,893</u>	<u>2,743</u>
	296,564	149,707
Less accumulated depreciation	<u>(150,343)</u>	<u>(122,238)</u>
Net property and equipment	<u>\$ 146,221</u>	<u>\$ 27,469</u>

Depreciation expense for the years ended December 31, 2009 and 2008 totaled \$28,105 and \$14,466, respectively.

NOTE 11 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses consist of the following at December 31:

	<u>2009</u>	<u>2008</u>
Advances to affiliates	\$ 850,941	\$ 1,043,161
Prepaid field operation costs	38,561	568,963
Travel advances	<u>18,395</u>	<u>68,380</u>
Total	<u>\$ 907,897</u>	<u>\$ 1,680,504</u>

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

Grant revenue recognition: During the year ended December 31, 2009, IDE determined that certain private foundation grant revenues and related receivables should have been recorded in previous years as temporarily restricted revenues. As the monies were spent on allowable costs, amounts released from restrictions should have been recognized on the Statement of Activities.

IDE - USA Merger: As discussed in Note 1, IDE merged with an affiliate organization, IDE – USA as of May 1, 2009. The merger was accounted for using the pooling of interests method. As required, fiscal year 2008 financial statements were restated on a combined basis to furnish comparative information. As a result, revenues of \$774,355 and expenses of \$595,765 of the merged affiliate, IDE-USA, is now reflected in the activity of IDE.

These adjustments result in a change in the previously reported net assets as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Net assets, December 31, 2007, as previously reported	\$ 771,932	\$ -
Prior period adjustments:		
Grant revenue recognition:		
Addition to grant receivable	-	12,858,937
IDE – USA Merger:		
IDE-USA Beginning Net Assets	<u>82,664</u>	<u>-</u>
Net assets, December 31, 2007, as restated	854,596	12,858,937
Change in net assets for the year ended December 31, 2008, as previously reported	512,030	-
Prior period adjustments:		
Grant revenue recognition:		
Adjustments to grant revenue	(7,293,029)	10,025,590
Net assets released from restriction	7,293,029	(7,293,029)
IDE – USA Merger:		
Contribution revenue	696,259	-
Other income	83,166	-
Interest, including unrealized loss	(5,070)	-
General and administrative expense	<u>(866,507)</u>	<u>-</u>
Net assets, December 31, 2008, as restated	<u>\$ 1,274,474</u>	<u>\$ 15,591,498</u>

In addition, certain amounts in the 2008 cash flow statement were reclassified to reflect cash flow activity.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 13 – TEMPORARY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2009 and 2008 are available for the following uses:

	<u>2009</u>	<u>2008</u>
Affordable Small-Plot Irrigation and Markets	\$ 4,272,626	\$ 4,559,466
India Micro Irrigation: Enabling Smallholder Prosperity	<u>11,946,798</u>	<u>11,032,032</u>
Total temporarily restricted net assets	<u>\$ 16,219,424</u>	<u>\$ 15,591,498</u>

See Note 2, Bill and Melinda Gates Foundation, for more information.

NOTE 14 – 2008 PRESENTATION

Certain reclassifications have been made to the 2008 amounts to be consistent with the 2009 presentation.

NOTE 15 – INCOME TAXES

IDE is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As of December 31, 2009, the IRS has not proposed any adjustments that would result in a material change to IDE's financial position.

NOTE 16 – CONTINGENCIES

IDE participates in a number of federal programs, which are subject to financial and compliance audits. The amount of expenses which may be disallowed by the granting agencies cannot be determined at this time, although IDE does not expect these amounts, if any, to be material to the financial statements.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

INTERNATIONAL DEVELOPMENT ENTERPRISES
SCHEDULE OF SUPPORT AND REMAINING COMMITMENTS UNDER CURRENT GRANTS
December 31, 2009

<u>Project Name</u>	<u>Total Support Under Current Grants</u>	<u>Grant Receipts and Adjustments in Prior Years</u>	<u>Grant Receipts and Adjustments During the Current Year</u>	<u>Remaining Commitment</u>	<u>Revenue Recognized During the Current Year</u>
Gates India Multicountry	\$ 27,116,864	\$ 9,114,172	\$ 6,461,737	\$ 11,540,955	\$ 5,744,119
Gates RPI Multicountry	13,444,609	7,664,687	3,563,853	2,216,069	3,303,232
Dutch II RPI Multicountry	5,925,000	2,708,273	1,919,424	1,297,303	1,641,568
Winrock SIMI Nepal	3,723,078	1,273,232	536,697	1,913,149	551,315
USAID SMC Zambia	1,600,037	1,600,037	-	-	63,609
Multi SUPW	1,292,940	-	-	1,292,940	-
Bangladesh RED	1,217,050	-	145,935	1,071,115	113,363
NZAID - Agribusiness Cambodia	1,125,610	830,190	295,420	-	334,179
EIG Nepal	836,170	56,159	220,654	559,357	294,873
Multi AWMLA	607,066	-	315,038	292,028	142,735
Bangladesh RIU	567,706	-	24,006	543,700	25,281
Ethiopia SPI - Canada	546,756	-	153,743	393,013	110,162
Bangladesh IMS	399,499	-	112,003	287,496	81,518
UNC USAID	392,954	-	294,254	98,700	329,059
DAI USAID	378,595	-	83,759	294,836	97,475
Misereor/ICCO Cambodia	284,400	250,784	-	33,616	-
Ethiopia Well Drilling USAID	249,644	-	-	249,644	8,226
NESTEC Nicaragua	240,000	160,000	80,000	-	131,726
Agricultural Inputs Bangladesh	224,503	159,775	29,316	35,412	35,194
WSP 3 Cambodia	204,089	15,839	188,250	-	174,109
CODESPA Vietnam	193,674	89,329	75,827	28,518	31,504
Bangladesh CAARP	186,347	-	97,587	88,760	88,735
Poultry Bangladesh	174,982	134,823	(8,597)	48,756	-
Zambia ADAPT	174,766	-	36,835	137,931	36,207
Oxfam HK - Livelihoods Vietnam	127,927	125,549	-	2,378	9,870
Stop AI Nepal	124,607	22,726	57,859	44,022	86,863
Oxfam HK - Hygiene Vietnam	121,562	119,855	1,707	-	11,189
CODESPA III Vietnam	110,769	49,308	38,082	23,379	16,891
SEILA Phase II Cambodia	94,931	51,101	38,836	4,994	50,286
Cambodia EWW	82,700	-	20,000	62,700	10,306
CODESPA II Vietnam	52,774	52,774	-	-	16,171
Vietnam PIGLY	47,898	-	45,805	2,093	28,727
FINIDA Nepal	45,613	24,082	21,531	-	23,533
Bangladesh Impact	40,361	-	5,753	34,608	1,711

(CONTINUED)

INTERNATIONAL DEVELOPMENT ENTERPRISES
SCHEDULE OF SUPPORT AND REMAINING COMMITMENTS UNDER CURRENT GRANTS
December 31, 2009

<u>Project Name</u>	<u>Total Support Under Current Grants</u>	<u>Grant Receipts and Adjustments in Prior Years</u>	<u>Grant Receipts and Adjustments During the Current Year</u>	<u>Remaining Commitment</u>	<u>Revenue Recognized During the Current Year</u>
Nepal WUMP	38,117	-	7,000	31,117	3,250
Bangladesh PAMHILLS	28,087	-	7,659	20,428	8,841
Cambodia PATH	26,400	-	9,621	16,779	2,860
Nepal Ansara from NIO USA	25,000	-	13,500	11,500	17,324
IWMI MUS Multicountry	22,400	-	22,400	-	4,236
Ethiopia Sundance Fnd	20,000	-	20,000	-	-
EIG WFP	15,608	-	15,608	-	15,608
AVRDC Cambodia	9,935	3,989	5,946	-	-
Total projects with contracts	<u>\$ 62,141,028</u>	<u>\$ 24,506,684</u>	<u>\$ 14,957,048</u>	<u>\$ 22,677,296</u>	<u>\$ 13,645,855</u>
Projects with no contracts					<u>1,329,479</u>
Total grant support					<u>\$ 14,975,334</u>

INTERNATIONAL DEVELOPMENT ENTERPRISES
SCHEDULE OF SUPPORT AND REMAINING COMMITMENTS UNDER CURRENT GRANTS
December 31, 2008

<u>Project Name</u>	<u>Total Support Under Current Grants</u>	<u>Grant Receipts and Adjustments in Prior Years</u>	<u>Grant Receipts and Adjustments During the Current Year</u>	<u>Remaining Commitment</u>	<u>Revenue Recognized During the Current Year</u>
Gates India Multicountry	\$ 27,116,864	\$ 9,114,172	\$ -	\$ 18,002,692	\$ 4,305,839
Gates RPI Multicountry	13,444,609	3,911,024	3,753,663	5,779,922	2,987,190
Dutch II RPI Multicountry	5,925,000	1,099,970	1,608,303	3,216,727	2,230,029
USAID BDS MAPS Nepal	3,643,082	3,639,155	3,927	-	-
Winrock SIMI Nepal	1,985,195	522,342	750,890	711,963	767,186
USAID SMC Zambia	1,600,037	1,537,444	62,593	-	-
USAID NGO Zambia	1,395,000	1,385,699	9,301	-	-
NZAID - Agribusiness Cambodia	843,858	570,728	259,462	13,668	264,560
EIG Nepal	836,170	-	56,159	780,011	119,192
ADB Nepal	325,695	220,830	104,865	-	10,245
Misereor/ICCO Cambodia	284,400	124,471	126,313	33,617	130,138
Misereor Nepal	280,000	156,459	114,637	8,904	115,276
IWMI MUS Multicountry	249,125	159,600	89,525	-	34,503
NESTEC Nicaragua	240,000	80,000	80,000	80,000	210,486
Agricultural Inputs Bangladesh	224,503	85,916	73,859	64,728	77,120
Poultry Bangladesh	174,982	74,441	60,382	40,159	56,953
Care Zimbabwe	167,658	89,677	77,981	-	37,005
WSP 3 Cambodia	158,389	-	15,839	142,550	14,139
Oxfam HK - Livelihoods Vietnam	127,927	74,698	50,851	2,378	47,021
Oxfam HK - Hygiene Vietnam	121,562	71,649	48,206	1,707	42,076
CODESPA III Vietnam	110,769	14,811	34,497	61,461	26,789
CODESPA II Vietnam	109,130	37,765	71,365	-	40,738
Ford Fnd Vietnam	98,100	54,995	43,105	-	40,011
SEILA Phase II Cambodia	94,931	47,465	3,636	43,830	4,166
CODESPA I Vietnam	89,329	32,682	56,647	-	47,394
CIDA Cambodia	86,508	78,451	8,057	-	-
CGIAR - Challenge Program Cambodia	75,000	67,500	7,500	-	-
IWMI Challenge Program Multicountry	74,644	67,180	7,464	-	-
Stop AI Nepal	70,767	-	22,726	48,041	37,364
PACT Nepal	57,828	39,399	18,429	-	16,851
Winrocks CRRN Nepal	44,611	8,385	36,226	-	33,317
Plan International 3 Cambodia	37,902	-	37,902	-	23,230
FINIDA Nepal	34,428	-	24,082	10,346	10,389
NZAID BKK - CWP	33,000	33,000	-	-	17,172

(CONTINUED)

INTERNATIONAL DEVELOPMENT ENTERPRISES
SCHEDULE OF SUPPORT AND REMAINING COMMITMENTS UNDER CURRENT GRANTS
December 31, 2008

<u>Project Name</u>	<u>Total Support Under Current Grants</u>	<u>Grant Receipts and Adjustments in Prior Years</u>	<u>Grant Receipts and Adjustments During the Current Year</u>	<u>Remaining Commitment</u>	<u>Revenue Recognized During the Current Year</u>
Yahoo Nepal	32,000	32,000	-	-	32,000
CF&H Bangladesh	25,000	25,000	-	-	20,023
World Bank Cambodia	20,000	20,000	-	-	7,886
Plan International II Cambodia	14,400	6,000	8,400	-	8,206
AVRDC Cambodia	9,935	-	3,989	5,946	9,935
CAVAC Cambodia	6,992	3,000	3,992	-	4,536
Hodi Zambia	6,260	-	6,260	-	-
UNICEF Cambodia	5,266	5,266	-	-	3,477
Total projects with contracts	<u>\$ 60,280,856</u>	<u>\$ 23,491,174</u>	<u>\$ 7,741,033</u>	<u>\$ 29,048,650</u>	\$ 11,832,442
Projects with no contracts					<u>2,890,068</u>
Total grant support					<u>\$ 14,722,510</u>