

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**INTERNATIONAL DEVELOPMENT ENTERPRISES  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>2</b>
<b>STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS</b>	<b>3</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>5</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>9</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>10</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULES OF SUPPORT AND REMAINING COMMITMENTS UNDER     CURRENT GRANTS</b>	<b>19</b>

# LarsonAllen<sup>®</sup>

LLP

CPAs, Consultants & Advisors

www.larsonallen.com

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
International Development Enterprises  
Lakewood, Colorado

We have audited the accompanying statement of financial position of International Development Enterprises as of December 31, 2010, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of International Development Enterprises' management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of six country programs which statements reflect total assets of \$1,034,802 as of December 31, 2010, and total support and revenues of \$8,849,745 for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the seven country programs, is based solely on the reports of the other auditors. The financial statements of International Development Enterprises as of December 31, 2009, were audited by other auditors whose report dated June 30, 2010, expressed an unqualified opinion on those statements.

We conducted our audit 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2011, 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 audit was conducted for the purpose of forming an opinion on the basic financial statements of International Development Enterprises taken as a whole. The accompanying schedules of support and remaining commitments under current grants are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*LarsonAllen LLP*  
LarsonAllen LLP

Minneapolis, Minnesota  
May 12, 2011



(1)

An independent member of Nexia International

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2010 AND 2009**

	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,004,845	\$ 1,556,624
Cash and Cash Equivalents Committed to Grant Purposes	5,004,506	6,544,147
Investments	21,350	717,406
Accounts Receivable, Less Allowance for Doubtful Accounts, \$95,480 for 2010 and \$78,673 for 2009	201,197	163,546
Grants Receivable	855,233	10,191,554
Inventories for Sale	263,495	147,991
Prepaid Expenses and Other Current Assets	747,534	907,897
Total Current Assets	9,098,160	20,229,165
<b>CAPITAL ASSETS, NET</b>	332,435	146,221
<b>OTHER ASSETS</b>		
Deposits	6,360	9,282
Total Assets	\$ 9,436,955	\$ 20,384,668
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 719,657	\$ 1,387,877
Deferred Grant Revenue	1,448,647	1,115,857
Total Current Liabilities	2,168,304	2,503,734
<b>NET ASSETS</b>		
Unrestricted	2,264,145	1,661,510
Temporarily Restricted	5,004,506	16,219,424
Total Net Assets	7,268,651	17,880,934
Total Liabilities and Net Assets	\$ 9,436,955	\$ 20,384,668

See accompanying Notes to Financial Statements.

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010		
	Unrestricted	Temporarily Restricted	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Grant Revenue:			
Federal Grants	\$ 1,224,079	\$ -	\$ 1,224,079
Other Grants	5,636,781	503,643	6,140,424
Total Grant Revenue	<u>6,860,860</u>	<u>503,643</u>	<u>7,364,503</u>
Donations	329,879	-	329,879
Field and Program Revenue	1,609,832	-	1,609,832
Investment Income	68,193	-	68,193
Other Income	242,892	-	242,892
Net Assets Released from Restrictions	<u>11,718,561</u>	<u>(11,718,561)</u>	<u>-</u>
Total Revenues, Gains and Other Support	20,830,217	(11,214,918)	9,615,299
<b>EXPENSES</b>			
Program Services:			
Cambodia	1,913,748	-	1,913,748
Vietnam	495,786	-	495,786
Bangladesh	768,051	-	768,051
Nepal	2,238,191	-	2,238,191
Zambia	983,791	-	983,791
Zimbabwe	303,340	-	303,340
Ghana	526,790	-	526,790
Ethiopia	2,127,352	-	2,127,352
Mozambique	188,714	-	188,714
Honduras	169,098	-	169,098
Nicaragua	155,011	-	155,011
Latin America	275,626	-	275,626
India	5,892,014	-	5,892,014
Dutch Platform	<u>1,213,537</u>	<u>-</u>	<u>1,213,537</u>
Total Program Services	17,251,049	-	17,251,049
General and Administrative	2,755,480	-	2,755,480
Fundraising	<u>221,053</u>	<u>-</u>	<u>221,053</u>
Total Expenses	<u>20,227,582</u>	<u>-</u>	<u>20,227,582</u>
<b>CHANGE IN NET ASSETS</b>	602,635	(11,214,918)	(10,612,283)
Net Assets - Beginning of Year	<u>1,661,510</u>	<u>16,219,424</u>	<u>17,880,934</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,264,145</u>	<u>\$ 5,004,506</u>	<u>\$ 7,268,651</u>

See accompanying Notes to Financial Statements.

2009		
Unrestricted	Temporarily Restricted	Total
\$ 1,542,337	\$ -	\$ 1,542,337
3,757,720	9,675,277	13,432,997
<u>5,300,057</u>	<u>9,675,277</u>	<u>14,975,334</u>
462,638	-	462,638
1,309,748	-	1,309,748
91,471	-	91,471
31,531	-	31,531
<u>9,047,351</u>	<u>(9,047,351)</u>	<u>-</u>
16,242,796	627,926	16,870,722
1,733,461	-	1,733,461
405,099	-	405,099
621,558	-	621,558
1,498,210	-	1,498,210
1,012,923	-	1,012,923
168,057	-	168,057
322,298	-	322,298
1,174,614	-	1,174,614
-	-	-
-	-	-
-	-	-
-	-	-
4,324,860	-	4,324,860
2,232,091	-	2,232,091
<u>13,493,171</u>	<u>-</u>	<u>13,493,171</u>
2,280,328	-	2,280,328
82,261	-	82,261
<u>15,855,760</u>	<u>-</u>	<u>15,855,760</u>
387,036	627,926	1,014,962
<u>1,274,474</u>	<u>15,591,498</u>	<u>16,865,972</u>
<u>\$ 1,661,510</u>	<u>\$ 16,219,424</u>	<u>\$ 17,880,934</u>

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2010**

	<u>Cambodia</u>	<u>Vietnam</u>	<u>Bangladesh</u>	<u>Nepal</u>	<u>Zambia</u>	<u>Zimbabwe</u>	<u>Ghana</u>	<u>Ethiopia</u>	<u>Mozambique</u>
Personnel and Benefits	\$ 980,838	\$ 224,427	\$ 429,604	\$ 692,428	\$ 550,077	\$ 220,078	\$ 338,441	\$ 536,330	\$ 82,965
Subgrants	91,752	174	1,142	861,417	-	-	-	618,151	-
Professional Services	6,804	4,975	19,676	2,970	24,550	-	746	5,026	44
Travel and Transportation	279,290	143,767	27,755	113,090	143,390	23,012	39,711	207,894	42,967
Subcontracts, Consultants	195,750	85,913	135,904	299,033	52,340	13,379	88,133	327,161	52,931
Vehicle and Equipment Expense	31,071	435	45,892	80,939	102,210	9,405	8,887	152,120	1,410
Cost of Goods Sold	226,254	-	-	-	-	-	-	-	-
Office Expense	97,888	33,044	88,574	75,950	106,705	28,007	34,130	157,027	7,419
Fundraising	-	-	-	-	-	-	-	-	-
Depreciation Expense	4,101	-	-	-	-	-	-	-	-
Business Administrative Expenses	-	981	5,221	73,287	251	-	1,541	-	-
Capital Expenses	-	2,070	14,283	39,077	4,268	9,459	15,201	123,643	978
Subtotal	<u>1,913,748</u>	<u>495,786</u>	<u>768,051</u>	<u>2,238,191</u>	<u>983,791</u>	<u>303,340</u>	<u>526,790</u>	<u>2,127,352</u>	<u>188,714</u>
* General and Administrative	<u>118,276</u>	<u>23,464</u>	<u>63,925</u>	<u>165,076</u>	<u>102,109</u>	<u>5,520</u>	<u>49,407</u>	<u>193,084</u>	<u>28,160</u>
Total	<u>\$ 2,032,024</u>	<u>\$ 519,250</u>	<u>\$ 831,976</u>	<u>\$ 2,403,267</u>	<u>\$ 1,085,900</u>	<u>\$ 308,860</u>	<u>\$ 576,197</u>	<u>\$ 2,320,436</u>	<u>\$ 216,874</u>

\* General and Administrative costs in this line include costs that are attributable to the various country operations. These costs are shown within General and Administrative on the Statement of Activities and Changes in Net Assets.

See accompanying Notes to Financial Statements.

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2010**

	Honduras	Nicaragua	Latin America	India Gates II	Gates/Dutch and Other	Total Program Services	G&A	Total Expenses
Personnel and Benefits	\$ 52,485	\$ 67,876	\$ 11,250	\$ -	\$ 577,752	\$ 4,764,551	\$ 1,428,129	\$ 6,192,680
Subgrants	16	-	46,716	5,874,167	55,834	7,549,369	-	7,549,369
Professional Services	3,632	-	6,123	-	55,700	130,246	95,585	225,831
Travel and Transportation	20,497	23,338	28,804	-	135,909	1,229,424	364,200	1,593,624
Subcontracts, Consultants	63,284	61,653	180,955	-	364,310	1,920,746	691,983	2,612,729
Vehicle and Equipment Expense	11,312	1,005	-	-	1,983	446,669	5,794	452,463
Cost of Goods Sold	-	-	-	-	-	226,254	-	226,254
Office Expense	17,708	1,139	1,778	-	-	649,369	137,891	787,260
Fundraising	-	-	-	-	-	-	221,053	221,053
Depreciation Expense	-	-	-	-	-	4,101	28,087	32,188
Business Administrative Expenses	164	-	-	34	-	81,479	3,811	85,290
Capital Expenses	-	-	-	17,813	22,049	248,841	-	248,841
Subtotal	<u>169,098</u>	<u>155,011</u>	<u>275,626</u>	<u>5,892,014</u>	<u>1,213,537</u>	<u>\$ 17,251,049</u>	<u>\$ 2,976,533</u>	<u>\$ 20,227,582</u>
* General and Administrative	<u>12,864</u>	<u>11,408</u>	<u>46,716</u>	<u>15,000</u>	<u>182,031</u>			
Total	<u>\$ 181,962</u>	<u>\$ 166,419</u>	<u>\$ 322,342</u>	<u>\$ 5,907,014</u>	<u>\$ 1,395,568</u>			

\* General and Administrative costs in this line include costs that are attributable to the various country operations. These costs are shown within General and Administrative on the Statement of Activities and Changes in Net Assets.

See accompanying Notes to 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>	<u>Ethiopia</u>
Personnel and Benefits	\$ 763,798	\$ 200,743	\$ 363,715	\$ 703,051	\$ 555,427	\$ 113,179	\$ 197,981	\$ 344,657
Subgrants	70,557	5,942	397	86,249	63,609	-	-	294,166
Professional Services	16,336	4,779	5,026	3,681	-	210	-	2,033
Travel and Transportation	172,290	39,465	23,510	186,322	96,111	23,342	25,702	117,709
Subcontracts, Consultants	360,397	100,394	107,769	338,874	56,885	12,347	27,154	126,160
Vehicle and Equipment Expense	19,805	1,696	18,323	82,029	100,705	2,180	4,757	54,236
Cost of Goods Sold	253,529	-	-	-	-	-	-	-
Office Expense	75,728	47,181	64,663	87,947	110,312	16,799	19,356	83,536
Fundraising	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-
Business Administrative Expenses	475	269	12	6,500	4,001	-	560	-
Capital Expenses	546	4,630	38,143	3,557	25,873	-	46,788	152,117
Subtotal	<u>1,733,461</u>	<u>405,099</u>	<u>621,558</u>	<u>1,498,210</u>	<u>1,012,923</u>	<u>168,057</u>	<u>322,298</u>	<u>1,174,614</u>
* 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>	<u>123,991</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>	<u>\$ 1,298,605</u>

\* General and Administrative costs in this line include costs that are attributable to the various country operations. These costs are shown within General and Administrative on the Statement of Activities and Changes in Net Assets.

See accompanying Notes to Financial Statements.

**INTERNATIONAL DEVELOPMENT ENTERPRISES  
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2009**

	India Gates II	Gates/Dutch and Other	Total Program Services	G&A	Total Expenses
Personnel and Benefits	\$ -	\$ 919,426	\$ 4,161,977	\$ 955,871	\$ 5,117,848
Subgrants	4,324,860	1,096,074	5,941,854	134,398	6,076,252
Professional Services	-	-	32,065	117,060	149,125
Travel and Transportation	-	35,029	719,480	330,389	1,049,869
Subcontracts, Consultants	-	140,161	1,270,141	515,056	1,785,197
Vehicle and Equipment Expense	-	-	283,731	15,867	299,598
Cost of Goods Sold	-	-	253,529	-	253,529
Office Expense	-	40,555	546,077	148,009	694,086
Fundraising	-	-	-	82,261	82,261
Depreciation Expense	-	-	-	28,105	28,105
Business Administrative Expenses	-	-	11,817	7,667	19,484
Capital Expenses	-	846	272,500	27,906	300,406
Subtotal	<u>4,324,860</u>	<u>2,232,091</u>	<u>\$ 13,493,171</u>	<u>\$ 2,362,589</u>	<u>\$ 15,855,760</u>
* General and Administrative	<u>-</u>	<u>327,773</u>			
Total	<u>\$ 4,324,860</u>	<u>\$ 2,559,864</u>			

\* General and Administrative costs in this line include costs that are attributable to the various country operations. These costs are shown within General and Administrative on the Statement of Activities and Changes in Net Assets.

See accompanying Notes to Financial Statements.

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (10,612,283)	\$ 1,014,962
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	32,188	28,105
Provision for Bad Debts	16,807	(80,418)
Unrealized Gain on Investments	(3,676)	(6,143)
Donated Inventory	-	(79,303)
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(54,458)	191,098
Grants Receivable	9,336,321	383,735
Inventories for Sale	(115,504)	(7,943)
Prepaid Expenses and Other Current Assets	160,363	772,607
Deposits	2,922	(3,982)
Accounts Payable and Accrued Liabilities	(668,220)	(315,198)
Deferred Grant Revenue	332,790	277,148
Net Cash Provided (Used) by Operating Activities	(1,572,750)	2,174,668
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(218,402)	(146,857)
Purchase of Investments	(268)	(700,000)
Sale of Investments	700,000	562,828
Net Cash Provided (Used) by Investing Activities	481,330	(284,029)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,091,420)	1,890,639
Cash and Cash Equivalents - Beginning of Year	8,100,771	6,210,132
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 7,009,351	\$ 8,100,771

See accompanying Notes to Financial Statements.

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

**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.

IDE's organizational mission and 10-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 a 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, Nepal, Vietnam, Zambia, Zimbabwe, Ghana, Mozambique, Nicaragua, Honduras, and India (affiliate). In addition, the Gates and Dutch platform program services include certain domestically implemented services that related to foreign operations. Employing more than 500 staff (98% 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 to market creation for the poor: 1) local ownership, 2) client participation, 3) rapid return on investment, 4) affordable cost and 5) market sustainability.

**Use of Estimates**

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 Restriction**

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.

**INTERNATIONAL DEVELOPMENT ENTERPRISES  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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).

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. The Organization's 2007, 2008 and 2009 tax years are open for examination by the Internal Revenue Service.

**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.

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, 2010 and 2009.

**Foreign Exchange**

At December 31, 2010, all of IDE's grants receivable are payable to IDE in U.S. dollars, except for various grants which are payable in the Euro, Bangladesh Taka, and Nepalese Rupees. Foreign exchange gains of \$18,435 and \$1,495 were recognized in 2010 and 2009, 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.

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

IDE recognizes revenue for contributions (and grants considered to be contributions) based upon the presence of 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.

**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 30 to 60 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 grants receivable totaling \$34,833 and \$10,000 as of December 31, 2010 and 2009, respectively, which are online contributions collected by a third party on IDE's behalf.

No allowance for doubtful accounts has been established for grants receivable, as they are expected to be collected in full within the next fiscal year.

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventories**

Inventories are stated at the lower of cost (FIFO, 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 during 2009 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, 2010 and 2009.

**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.

**Reclassifications**

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. The reclassifications had no effect on the change in net assets or total net assets as previously reported.

**Subsequent Events**

In preparing these financial statements, IDE has evaluated events and transactions for potential recognition or disclosure through May 12, 2011, the date the financial statements were available to be issued.

**NOTE 2 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, and IDE-UK. 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, 2010 AND 2009**

**NOTE 2 AFFILIATE ORGANIZATION TRANSACTIONS (CONTINUED)**

**IDE – Canada**

Included in accounts receivable are amounts due from IDE-Canada of \$-0- and \$50,498 for grant expenses paid on behalf of IDE-Canada by IDE at December 31, 2010 and 2009, respectively.

Included in accounts payable are amounts due to IDE-Canada of \$5,423 and \$-0- for grant expenses paid on behalf of IDE by IDE-Canada at December 31, 2010 and 2009, respectively.

**IDE – India**

IDE-India was originally a subsidiary of IDE and established independence from IDE in 2004. During 2010 and 2009, IDE contracted with IDE India to complete various projects in India on IDE's behalf. Amounts advanced to IDE-India for 2010 and 2009 totaled \$5,463,493 and \$4,058,476, respectively, of which \$5,876,376 and \$4,324,860, respectively, was expended for projects. The remaining advance of \$336,239 and \$749,122 at December 31, 2010 and 2009, respectively, was recorded as a prepaid expense for future period projects to be accomplished by IDE-India.

**IDE – UK**

Included in accounts receivable are amounts due from IDE-UK of \$78,673 for grant expenses paid on behalf of IDE-UK by IDE at both December 31, 2010 and 2009, respectively.

A reserve has been recorded in allowance for doubtful accounts in the amount of \$78,673 for IDE-UK at December 31, 2010 and 2009.

**IDE – Myanmar**

Included in accounts payable are amounts due to IDE-Myanmar of \$-0- and \$332,717 for grant expenses paid on behalf of IDE by IDE-Myanmar at December 31, 2010 and 2009, respectively.

**NOTE 3 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, 2010 and 2009, IDE recognized revenue of \$-0- and \$9,675,277, respectively, from two multi-county projects from the Bill and Melinda Gates Foundation, representing approximately 0% and 57%, respectively, of its revenues. At December 31, 2010 and 2009, receivables from the Bill and Melinda Gates Foundation represented approximately 0% and 95%, respectively, of total Grants Receivable.

**INTERNATIONAL DEVELOPMENT ENTERPRISES  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 3 FOREIGN OPERATIONS AND CONCENTRATIONS (CONTINUED)**

**Foreign Operations (continued)**

In addition, for the years ended December 31, 2010 and 2009, IDE recognized grant revenue of \$1,047,659 and \$1,641,568, respectively, from the Dutch Ministry of Foreign Affairs, representing approximately 11% and 10%, respectively, of its revenues.

**NOTE 4 OPERATING LEASE**

IDE leases office space for its headquarters under a lease expiring June 2011. Total rent expense under the lease amounted to \$54,750 and \$57,341 for the years ended December 31, 2010 and 2009, respectively. IDE leases office space and provides housing for country directors in multiple countries. Total rent expense under these leases amounted to \$199,424 and \$191,069 for the years ended December 31, 2010 and 2009, respectively.

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

<u>Year</u>	<u>Amount</u>
2011	\$ 163,766
2012	60,104
2013	22,100
2014	14,667
2015	14,667
Thereafter	14,667
Total	<u>\$ 289,971</u>

**NOTE 5 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 3 months of service. IDE contributes 6% of the employee's gross salary. Contributions for the years ended December 31, 2010 and 2009 amounted to \$72,050 and \$26,797, respectively.

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

**NOTE 6 FAIR VALUE MEASUREMENTS**

IDE follows a policy that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. 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.

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, 2010 and 2009:

	Assets at Fair Value as of December 31, 2010		
	Level 1	Level 2	Level 3
Investments:			
Mutual Funds:			
Domestic Stock	\$ 15,507	\$ -	\$ -
Small Blend	4,591	-	-
Core Account	750	-	-
Common Stock	502	-	-
	<u>\$ 21,350</u>	<u>\$ -</u>	<u>\$ -</u>
	Assets at Fair Value as of December 31, 2009		
	Level 1	Level 2	Level 3
Investments:			
Mutual Funds:			
Domestic Stock	\$ 12,477	\$ -	\$ -
Small Blend	3,677	-	-
Core Account	750	-	-
Common Stock	502	-	-
	<u>\$ 17,406</u>	<u>\$ -</u>	<u>\$ -</u>

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

**NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)**

Investment income presented on the statements of activities for the years ended December 31, 2010 and 2009 are as follows:

	2010	2009
Unrealized Gains and Losses	\$ 3,676	\$ 6,143
Dividends	967	1,728
Interest	63,550	83,600
Total	<u>\$ 68,193</u>	<u>\$ 91,471</u>

**NOTE 7 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

	2010	2009
Cash and Cash Equivalents	\$ 2,004,845	\$ 1,556,624
Cash and Cash Equivalents Committed to Grant Purposes	5,004,506	6,544,147
Total	<u>\$ 7,009,351</u>	<u>\$ 8,100,771</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.

A portion of the cash balance is committed for the purposes of grants received. The amounts of cash held at December 31, 2010 and 2009 are \$5,004,506 and \$6,544,147, respectively, that were advanced for grants that have purpose restrictions.

**NOTE 8 NOTE 8PROPERTY AND EQUIPMENT**

Property and equipment at December 31 consists of the following:

	2010	2009
Land	\$ 29,007	\$ 29,007
Buildings and Improvements	97,129	19,846
Furniture and Equipment	285,823	239,818
Vehicles	112,881	7,893
Total	<u>524,840</u>	<u>296,564</u>
Less: Accumulated Depreciation	(192,405)	(150,343)
Net Property and Equipment	<u>\$ 332,435</u>	<u>\$ 146,221</u>

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

**NOTE 8 PROPERTY AND EQUIPMENT (CONTINUED)**

Depreciation expense for the years ended December 31, 2010 and 2009 totaled \$32,188 and \$28,105, respectively.

**NOTE 9 PREPAID EXPENSES AND OTHER CURRENT ASSETS**

Prepaid expenses consist of the following at December 31:

	2010	2009
Advances to Affiliates	\$ 597,054	\$ 850,941
Prepaid Field to Operation Costs	138,379	38,561
Travel Advances	12,101	18,395
Total	<u>\$ 747,534</u>	<u>\$ 907,897</u>

**NOTE 10 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of December 31, 2010 and 2009 are available for the following uses:

	2010	2009
Affordable Small-Plot Irrigation and Markets	\$ -	\$ 4,272,626
India Micro-Irrigation: Enabling Smallholder Prosperity	4,619,091	11,946,798
Bangladesh: Smallholder Farmers Agricultural Technologies and Services	200,000	-
Cambodia: Farm Business Advisor Program	185,415	-
Total Temporarily Restricted Net Assets	<u>\$ 5,004,506</u>	<u>\$ 16,219,424</u>

**NOTE 11 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.

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**SCHEDULE OF SUPPORT AND REMAINING COMMITMENTS UNDER CURRENT GRANTS**  
**YEAR ENDED DECEMBER 31, 2010**

Project Name	Total Support Under Current Grants	Grant Receipts and Adjustments in Prior Years	Grant Receipts and Adjustments During the Current Year	Remaining Commitment	Revenue Recognized During the Current Year
Gates India Multicountry	\$ 27,116,864	\$ 15,575,909	\$ 6,658,885	\$ 4,882,070	\$ 7,683,885
Gates RPI Multicountry	14,244,609	11,228,540	3,016,069	-	3,916,448
Dutch II RPI Multicountry	5,925,000	4,627,697	1,000,873	296,430	1,047,659
Winrock SIMI Nepal	3,732,359	3,659,873	72,486	-	-
Multi SUPW	1,292,940	-	549,394	743,546	475,774
Bangladesh RED	1,217,050	145,935	157,113	914,002	123,532
NZAID -CADF	1,190,745	-	100,000	1,090,745	274,615
EIG Nepal	1,034,230	276,813	306,367	451,050	383,778
Multi AWMLA	607,066	315,038	127,786	164,242	228,492
Ethiopia SPI - Canada	546,756	153,743	155,471	237,542	149,426
Bangladesh IMS	399,499	112,003	143,123	144,373	149,715
UNC USAID	392,954	294,254	98,700	-	59,517
DAI USAID	378,595	83,759	194,156	100,680	211,164
Ethiopia Well Drilling USAID	249,644	-	115,000	134,644	135,976
MASF Nepal	3,003,770	-	780,048	2,223,722	631,043
Cambodia UNCY2	535,905	-	317,598	218,307	356,227
FSI Nepal	1,015,829	-	654,813	361,016	511,307
RAPID Ethiopia	2,101,422	-	1,141,603	959,819	940,922
Total Projects with Contracts	<u>\$ 64,985,237</u>	<u>\$ 36,473,564</u>	<u>\$ 15,589,485</u>	<u>\$ 12,922,188</u>	17,279,480
Projects with No Contracts					<u>-</u>
Total Grant Support					<u>\$ 17,279,480</u>

**INTERNATIONAL DEVELOPMENT ENTERPRISES**  
**SCHEDULE OF SUPPORT AND REMAINING COMMITMENTS UNDER CURRENT GRANTS**  
**YEAR ENDED DECEMBER 31, 2009**

Project Name	Total Support Under Current Grants	Grant Receipts and Adjustments in Prior Years	Grant Receipts and Adjustments During the Current Year	Remaining Commitment	Revenue Recognized During the Current Year
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	112,123
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 EWV	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
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 Foundation	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>13,757,978</u>
Projects with No Contracts					<u>1,217,356</u>
Total Grant Support					<u>\$ 14,975,334</u>