

INTERNATIONAL DEVELOPMENT ENTERPRISES
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

**INTERNATIONAL DEVELOPMENT ENTERPRISES
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YEARS ENDED DECEMBER 31, 2014 AND 2013**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
International Development Enterprises and Subsidiaries
Denver, Colorado

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of International Development Enterprises and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2014 and 2013, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of eleven country programs in 2014 and ten country programs in 2013, which statements reflect total assets of \$3,278,184 and \$3,307,152 as of December 31, 2014 and 2013, respectively, and total support and revenues of \$18,976,949 and \$18,461,236, respectively, for the years 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 ten country programs, is based solely on the reports of the other auditors. 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 consolidated financial statements are free from material misstatement. The financial statements of IDE Burkina Faso (West Africa), IDE Bangladesh, IDE Ethiopia, IDE Cambodia, IDE Ghana, IDE Mozambique, IDE Nepal, IDE Zambia, IDE Vietnam, IDE Honduras, Hydrologic Social Enterprise Company Limited and iDEal Technologias, LLC were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of International Development Enterprises and Subsidiaries as of December 31, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules of support and remaining commitments under current grants are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2015, on our consideration of International Development Enterprises' and the IDE International Foundation's (IDEI) 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 result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering International Development Enterprises' and IDEI's internal control over financial reporting and compliance. The eleven country programs audited by other auditors in 2015 were not audited in accordance with *Government Auditing Standards*.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 18, 2015

INTERNATIONAL DEVELOPMENT ENTERPRISES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

ASSETS	2014	2013
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 6,657,479	\$ 7,124,836
Investments	-	34,783
Accounts Receivable, Less Allowance for Doubtful Accounts, \$51,514 for 2014 and \$16,829 for 2013	1,180,074	1,265,592
Current Pledges and Note Receivable, Less Pledges Allowance for Doubtful Accounts, \$-0- for 2014 and 2013	55,665	31,133
Grants Receivable	1,651,797	1,545,392
Inventories for Sale	720,758	779,577
Prepaid Expenses and Other Current Assets	334,024	147,987
Total Current Assets	10,599,797	10,929,300
CAPITAL ASSETS, NET	325,490	300,576
OTHER ASSETS		
Long-Term Pledges and Note Receivable	33,340	44,454
Deposits	42,338	32,769
Total Other Assets	75,678	77,223
Total Assets	\$ 11,000,965	\$ 11,307,099
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 2,888,398	\$ 2,686,409
Deferred Grant Revenue	4,396,116	3,807,576
Notes Payable, Current	75,000	100,000
Total Current Liabilities	7,359,514	6,593,985
NOTE PAYABLE, LONG-TERM	150,000	225,000
Total Liabilities	7,509,514	6,818,985
NET ASSETS		
Unrestricted	3,184,603	3,064,241
Temporarily Restricted	306,848	1,423,873
Total Net Assets	3,491,451	4,488,114
Total Liabilities and Net Assets	\$ 11,000,965	\$ 11,307,099

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL DEVELOPMENT ENTERPRISES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014		
	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Grant Revenue:			
Federal Grants	\$ 1,838,182	\$ -	\$ 1,838,182
Other Grants	14,140,747	417,788	14,558,535
Total Grant Revenue	<u>15,978,929</u>	<u>417,788</u>	<u>16,396,717</u>
Donations	301,984	-	301,984
Field and Program Revenue	1,650,851	-	1,650,851
Investment Income	31,218	-	31,218
Loss on Disposition of Capital Assets	(6,541)	-	(6,541)
Other Income	3,183,760	-	3,183,760
Net Assets Released from Restrictions	1,534,813	(1,534,813)	-
Total Revenues, Gains and Other Support	<u>22,675,014</u>	<u>(1,117,025)</u>	<u>21,557,989</u>
EXPENSES			
Program Services:			
Cambodia	3,555,977	-	3,555,977
Vietnam	177,341	-	177,341
Bangladesh	4,641,669	-	4,641,669
Nepal	2,278,323	-	2,278,323
Zambia	1,737,430	-	1,737,430
Ghana	340,502	-	340,502
Ethiopia	1,115,935	-	1,115,935
Mozambique	692,719	-	692,719
Honduras	228,309	-	228,309
Nicaragua	212,890	-	212,890
Latin America	128,865	-	128,865
Multi-Country Projects	1,935,112	-	1,935,112
West Africa	497,493	-	497,493
Global WASH	25,648	-	25,648
Hydrologic	83,987	-	83,987
Total Program Services	<u>17,652,200</u>	<u>-</u>	<u>17,652,200</u>
General and Administrative	4,794,372	-	4,794,372
Fundraising	108,080	-	108,080
Total Expenses	<u>22,554,652</u>	<u>-</u>	<u>22,554,652</u>
CHANGE IN NET ASSETS	120,362	(1,117,025)	(996,663)
Net Assets - Beginning of Year, as Restated	<u>3,064,241</u>	<u>1,423,873</u>	<u>4,488,114</u>
NET ASSETS - END OF YEAR	<u>\$ 3,184,603</u>	<u>\$ 306,848</u>	<u>\$ 3,491,451</u>

See accompanying Notes to Consolidated Financial Statements.

2013		
Unrestricted	Temporarily Restricted	Total
\$ 1,838,182	\$ -	\$ 1,838,182
11,861,002	4,384,090	16,245,092
<u>13,699,184</u>	<u>4,384,090</u>	<u>18,083,274</u>
590,435	-	590,435
1,323,161	-	1,323,161
78,667	-	78,667
(70,418)	-	(70,418)
3,722,148	-	3,722,148
4,127,453	(4,127,453)	-
<u>23,470,630</u>	<u>256,637</u>	<u>23,727,267</u>
3,536,535	-	3,536,535
217,437	-	217,437
2,749,038	-	2,749,038
1,455,147	-	1,455,147
1,520,693	-	1,520,693
616,991	-	616,991
4,366,811	-	4,366,811
851,908	-	851,908
282,927	-	282,927
237,846	-	237,846
159,300	-	159,300
671,379	-	671,379
590,110	-	590,110
87,092	-	87,092
54,503	-	54,503
<u>17,397,717</u>	<u>-</u>	<u>17,397,717</u>
5,230,990	-	5,230,990
100,375	-	100,375
<u>22,729,082</u>	<u>-</u>	<u>22,729,082</u>
741,548	256,637	998,185
<u>2,322,693</u>	<u>1,167,236</u>	<u>3,489,929</u>
<u>\$ 3,064,241</u>	<u>\$ 1,423,873</u>	<u>\$ 4,488,114</u>

INTERNATIONAL DEVELOPMENT ENTERPRISES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	<u>Cambodia</u>	<u>Vietnam</u>	<u>Bangladesh</u>	<u>Nepal</u>	<u>Zambia</u>	<u>Ghana</u>	<u>Ethiopia</u>	<u>Mozambique</u>	<u>Honduras</u>	<u>Nicaragua</u>
Personnel and Benefits	\$ 1,745,392	\$ 94,398	\$ 2,090,743	\$ 748,527	\$ 1,061,412	\$ 211,362	\$ 577,866	\$ 220,648	\$ 128,546	\$ 165,737
Subgrants	82,430	-	246,490	896,608	-	-	50,240	-	-	-
Professional Services	9,381	3,700	3,071	22,607	14,369	6,385	2,568	38,148	677	200
Travel and Transportation	481,877	72,506	506,687	110,349	79,545	30,837	90,039	57,697	30,022	7,168
Subcontracts, Consultants	723,469	212	979,622	323,532	177,580	26,670	215,947	217,891	18,619	13,796
Vehicle and Equipment Expense	-	-	241,677	68,954	105,200	20,592	99,235	49,220	19,001	3,634
Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-
Office Expense	457,768	59	378,716	76,861	128,172	44,654	72,588	38,926	29,527	22,355
Depreciation Expense	-	-	-	-	-	-	-	-	-	-
Business Administrative Expenses	-	-	16	28	7,927	2	-	-	4	-
Capital Expenses	55,660	6,466	194,647	30,857	163,225	-	7,452	70,189	1,913	-
Subtotal	<u>3,555,977</u>	<u>177,341</u>	<u>4,641,669</u>	<u>2,278,323</u>	<u>1,737,430</u>	<u>340,502</u>	<u>1,115,935</u>	<u>692,719</u>	<u>228,309</u>	<u>212,890</u>
* General and Administrative	<u>1,043,970</u>	<u>65,381</u>	<u>564,258</u>	<u>247,851</u>	<u>231,131</u>	<u>95,718</u>	<u>149,818</u>	<u>251,029</u>	<u>146,820</u>	<u>162,117</u>
Total	<u>\$ 4,599,947</u>	<u>\$ 242,722</u>	<u>\$ 5,205,927</u>	<u>\$ 2,526,174</u>	<u>\$ 1,968,561</u>	<u>\$ 436,220</u>	<u>\$ 1,265,753</u>	<u>\$ 943,748</u>	<u>\$ 375,129</u>	<u>\$ 375,007</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 consolidated statement of activities and changes in net assets.

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL DEVELOPMENT ENTERPRISES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Latin America	Multi-Country Projects	West Africa	Global Wash	Hydrologic	Total Program Services	Fundraising	G&A	Total Expenses
Personnel and Benefits	\$ 93,631	\$ 466,402	\$ 347,188	\$ 15,000	\$ -	\$ 7,966,852	\$ 38,650	\$ 2,084,756	\$ 10,090,258
Subgrants	-	1,021,887	-	-	-	2,297,655	-	3,454	2,301,109
Professional Services	842	1,875	16,463	-	-	120,286	-	106,809	227,095
Travel and Transportation	2,618	84,944	25,338	8,212	41	1,587,880	14,035	238,606	1,840,521
Subcontracts, Consultants	31,337	318,747	50,751	2,436	60,893	3,161,502	33,819	677,312	3,872,633
Vehicle and Equipment Expense	-	(174)	17,293	-	-	624,632	-	64,601	689,233
Cost of Goods Sold	-	-	-	-	-	-	-	880,379	880,379
Office Expense	437	7,546	33,580	-	53	1,291,242	4,914	420,011	1,716,167
Depreciation Expense	-	-	-	-	-	-	-	152,457	152,457
Business Administrative Expenses	-	-	-	-	-	7,977	-	114,794	122,771
Capital Expenses	-	33,885	6,880	-	23,000	594,174	16,662	51,193	662,029
Subtotal	<u>128,865</u>	<u>1,935,112</u>	<u>497,493</u>	<u>25,648</u>	<u>83,987</u>	<u>\$ 17,652,200</u>	<u>\$ 108,080</u>	<u>\$ 4,794,372</u>	<u>\$ 22,554,652</u>
* General and Administrative	<u>57,368</u>	<u>157,653</u>	<u>164,799</u>	<u>2,296</u>	<u>1,531,909</u>				
Total	<u>\$ 186,233</u>	<u>\$ 2,092,765</u>	<u>\$ 662,292</u>	<u>\$ 27,944</u>	<u>\$ 1,615,896</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 consolidated statement of activities and changes in net assets.

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL DEVELOPMENT ENTERPRISES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

	<u>Cambodia</u>	<u>Vietnam</u>	<u>Bangladesh</u>	<u>Nepal</u>	<u>Zambia</u>	<u>Ghana</u>	<u>Ethiopia</u>	<u>Mozambique</u>	<u>Honduras</u>	<u>Nicaragua</u>
Personnel and Benefits	\$ 1,756,137	\$ 109,772	\$ 1,189,460	\$ 556,044	\$ 782,333	\$ 403,101	\$ 881,293	\$ 195,665	\$ 162,224	\$ 150,083
Subgrants	447,103	-	104,181	508,254	-	-	2,591,445	-	-	-
Professional Services	11,742	2,950	1,586	23,869	21,095	3,337	8,970	13,389	1,963	2,249
Travel and Transportation	488,689	83,459	213,082	69,372	141,767	59,229	180,091	101,600	33,480	39,051
Subcontracts, Consultants	458,005	8,840	524,612	149,710	227,801	52,850	335,656	338,868	32,474	5,067
Vehicle and Equipment Expense	2,325	-	116,585	59,233	89,465	40,108	178,176	41,035	15,809	6,284
Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-
Office Expense	368,463	12,416	196,985	72,120	139,238	55,924	113,131	40,051	32,611	34,515
Depreciation Expense	-	-	-	-	-	-	-	-	-	-
Business Administrative Expenses	-	-	-	-	188	100	-	67	1,981	-
Capital Expenses	4,071	-	402,547	16,545	118,806	2,342	78,049	121,233	2,385	597
Subtotal	<u>3,536,535</u>	<u>217,437</u>	<u>2,749,038</u>	<u>1,455,147</u>	<u>1,520,693</u>	<u>616,991</u>	<u>4,366,811</u>	<u>851,908</u>	<u>282,927</u>	<u>237,846</u>
* General and Administrative	<u>1,007,158</u>	<u>51,820</u>	<u>654,837</u>	<u>263,640</u>	<u>134,369</u>	<u>59,083</u>	<u>463,703</u>	<u>266,926</u>	<u>147,404</u>	<u>310,267</u>
Total	<u>\$ 4,543,693</u>	<u>\$ 269,257</u>	<u>\$ 3,403,875</u>	<u>\$ 1,718,787</u>	<u>\$ 1,655,062</u>	<u>\$ 676,074</u>	<u>\$ 4,830,514</u>	<u>\$ 1,118,834</u>	<u>\$ 430,331</u>	<u>\$ 548,113</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 consolidated statement of activities and changes in net assets.

See accompanying Notes to Consolidated Financial Statements.

INTERNATIONAL DEVELOPMENT ENTERPRISES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

	Latin America	Multi-Country Projects	West Africa	Global Wash	Hydrologic	Total Program Services	Fundraising	G&A	Total Expenses
Personnel and Benefits	\$ 96,965	\$ 172,785	\$ 365,126	\$ 27,251	\$ -	\$ 6,848,239	\$ 52,162	\$ 1,564,655	\$ 8,465,056
Subgrants	-	150,236	-	12,864	-	3,814,083	-	39,631	3,853,714
Professional Services	-	778	6,689	-	-	98,617	-	116,654	215,271
Travel and Transportation	20,970	5,590	73,021	29,738	202	1,539,341	3,958	467,914	2,011,213
Subcontracts, Consultants	33,087	324,298	31,211	17,239	51,183	2,590,901	12,565	979,794	3,583,260
Vehicle and Equipment Expense	-	-	16,029	-	93	565,142	-	82,240	647,382
Cost of Goods Sold	8,278	-	-	-	-	8,278	-	1,029,083	1,037,361
Office Expense	-	17,692	42,649	-	3,025	1,128,820	31,690	335,233	1,495,743
Depreciation Expense	-	-	-	-	-	-	-	162,012	162,012
Business Administrative Expenses	-	-	-	-	-	2,336	-	250,426	252,762
Capital Expenses	-	-	55,385	-	-	801,960	-	203,348	1,005,308
Subtotal	<u>159,300</u>	<u>671,379</u>	<u>590,110</u>	<u>87,092</u>	<u>54,503</u>	<u>\$ 17,397,717</u>	<u>\$ 100,375</u>	<u>\$ 5,230,990</u>	<u>\$ 22,729,082</u>
* General and Administrative	<u>159,150</u>	<u>70,638</u>	<u>104,260</u>	<u>9,163</u>	<u>1,628,949</u>				
Total	<u>\$ 318,450</u>	<u>\$ 742,017</u>	<u>\$ 694,370</u>	<u>\$ 96,255</u>	<u>\$ 1,683,452</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 consolidated statement of activities and changes in net assets.

See accompanying Notes to Consolidated Financial Statements.

**INTERNATIONAL DEVELOPMENT ENTERPRISES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (996,663)	\$ 998,185
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	152,457	185,327
Change in Provision for Bad Debts	(16,974)	(19,906)
Unrealized (Gain) Loss on Investments	1,847	(7,481)
Loss on Sale of Capital Assets	6,541	70,418
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	102,492	(278,085)
Grants Receivable	(106,405)	82,887
Pledges and Note Receivable	(13,418)	(34,168)
Inventories for Sale	58,819	41,832
Prepaid Expenses and Other Current Assets	(186,037)	20,150
Deposits	(9,569)	(10,377)
Accounts Payable and Accrued Liabilities	201,989	443,080
Deferred Grant Revenue	588,540	2,221,149
Net Cash Provided (Used) by Operating Activities	(216,381)	3,713,011
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Assets	(183,912)	(122,527)
Purchase of Investments	(187)	(1,923)
Sale of Investments	33,123	-
Sale of Capital Assets	-	97,589
Net Cash Used by Investing Activities	(150,976)	(26,861)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Notes Payable	-	150,000
Payments on Notes Payable	(100,000)	(100,000)
Net Cash Provided (Used) by Financing Activities	(100,000)	50,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(467,357)	3,736,150
Cash and Cash Equivalents - Beginning of Year	7,124,836	3,388,686
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,657,479	\$ 7,124,836
SUPPLEMENTAL DISCLOSURE		
Interest Expense Paid	\$ 13,063	\$ 22,563

See accompanying Notes to Consolidated Financial Statements.

**INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

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 nonprofit 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.

In 2012, the Greenhouse Project, LLC was formed as a Colorado organization in which IDE is the sole member. The Greenhouse Project, LLC is an entity that shall lease and operate real estate consistent with the exempt purpose which shall house IDE as well as other non-profit organizations. In 2013, the Greenhouse Project, LLC was divested. See footnote 12 for discontinued operations.

Program Services

IDE maintains country programs in Central America, Asia and Africa including Bangladesh, Cambodia, Ethiopia, Nepal, Vietnam, Zambia, Ghana, Mozambique, Nicaragua, Honduras, and West Africa. Employing more than 900 staff (98% in the field), most country programs are staffed by nationals and managed by a Country Director.

iDEal Technologias, LLC (iDEal) was created as a Colorado organization in which IDE is the sole member. iDEal is a social enterprise for the promotion of low-cost, drip irrigation technologies.

Hydrologic Social Enterprise Company Limited is a Cambodian company, wholly owned by IDE for the manufacture and distribution of low-cost, ceramic water purifiers and related livelihood products. IDE International Foundation (IDEI) is an organization registered as a charitable foundation in Berne, Switzerland.

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.

Principles of Consolidation

The accompanying consolidation financial statements include the accounts of IDE, iDEal, IDEI, IDE Burkina Faso (West Africa), IDE Bangladesh, IDE Ethiopia, IDE Cambodia, IDE Ghana, IDE Mozambique, IDE Nepal, IDE Zambia, IDE Vietnam, IDE Honduras and Hydrologic Social Enterprise Company Limited, which are collectively referred to as IDE. All material transactions between these entities have been eliminated in the consolidation.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues 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.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets 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 consolidated financial statements. IDE has no current obligation for unrelated business income tax. IDE files as a tax-exempt organization.

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.

**INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

The cost of certain equipment used by IDE in operations is not reflected in the consolidated statement of financial position because the asset title remains with the grantor. IDE has reported revenue and program expense in the accompanying consolidated statement of activities and changes in net assets for the free use of the equipment and for utilities during the years ended December 31, 2014 and 2013.

Foreign Exchange

At December 31, 2014 and 2013, all of IDE's grants receivable are payable to IDE in U.S. dollars, the Euro, Bangladesh Taka, Swiss Francs, British Pounds, and Nepalese Rupees. Foreign exchange losses of \$167,724 and \$8,880 were recognized in 2014 and 2013, 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.

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.

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 and changes in net assets as released from restrictions.

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 consolidated statements of financial position.

**INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

IDE earned carbon credits related to displacing water boiling practices with use of Hydrologic's manufacturing and selling of ceramic water purifiers. By saving 41,000 tons of CO₂ emissions yearly, credits were awarded and registered by the Gold Standard. In 2014 and 2013, 50,015 and 52,203 credits were sold by IDE for the amounts of \$483,806 and \$688,260, respectively. Revenue is recorded in other income on the consolidated statement of activities and changes in net assets. Due to the nature of the carbon credit market, IDE recognizes carbon credit revenue when sold.

Accounts, Grants, and Pledges Receivable

Accounts receivable are uncollateralized obligations and generally require payment within 30 to 60 days from the date arising. IDE does not 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.

Pledges receivable consist of funding commitments from individuals totaling \$44,551 and \$20,020 as of December 31, 2014 and 2013, respectively, and a note receivable totaling \$44,454 and \$55,567 as of December 31, 2014 and 2013, respectively.

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

	<u>2014</u>	<u>2013</u>
Pledges Due Within One Year	\$ 55,665	\$ 31,133
Pledges Due Within One to Five Years	<u>33,340</u>	<u>44,454</u>
Total Pledges	<u>\$ 89,005</u>	<u>\$ 75,587</u>

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.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2014 and 2013.

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 accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. The reclassification had no effect on previously reported change in net assets or net asset balances.

NOTE 2 AFFILIATE ORGANIZATION TRANSACTIONS

Subsequent Events

In preparing these consolidated financial statements, IDE has evaluated events and transactions for potential recognition or disclosure through August 18, 2015, the date the consolidated financial statements were available to be issued.

IDE works with related non-U.S. based nonprofit organizations with similar purposes, goals and policies. At present, these organizations include IDE-Canada and IDE-UK. The boards and staff of these organizations work in a close relationship in designing, financing and executing projects worldwide.

IDE – Canada

Included in accounts receivable are amounts due from IDE-Canada of \$24,312 and \$1,629 for grant expenses paid on behalf of IDE-Canada by IDE at December 31, 2014 and 2013, respectively.

Included in notes payable and accounts payable are amounts due to IDE-Canada of \$150,000 at December 31, 2014 and 2013.

**INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 2 AFFILIATE ORGANIZATION TRANSACTIONS (CONTINUED)

IDE – Canada (Continued)

Included in deferred revenue are amounts received in advance from IDE-Canada of \$31,989 and \$17,363 for the performance of services related to grants awarded to IDE by IDE-Canada at December 31, 2014 and 2013, respectively.

IDE – UK

Included in accounts receivable are amounts due from IDE-UK of \$227,286 and \$39,763 for grant expenses paid on behalf of IDE-UK by IDE at December 31, 2014 and 2013, respectively.

Included in accounts payable are amounts due to IDE-UK of \$120,883 and \$93,906 for grant expenses paid on behalf of IDE by IDE-UK at December 31, 2014 and 2013, respectively.

NOTE 3 FOREIGN OPERATIONS AND CONCENTRATIONS

Foreign Operations

For the year ended December 31, 2014, there were no contracts that were individually greater than 10% of IDE's total revenue. For the year ended December 31, 2013, IDE recognized revenue of \$5,357,529 from two multi-country projects from the Bill and Melinda Gates Foundation and the EU and Euro Commission, representing approximately 23% of its revenues.

NOTE 4 OPERATING LEASE

During 2013, IDE signed an agreement to lease space for its office headquarters. The lease term commenced in January 2014 and expired on May 31, 2014. The lease allows for annual automatic renewal for successive one year terms for an additional nine years through May 31, 2023. IDE has the option to terminate the lease after any one year term upon giving adequate notice to the lessor. As IDE is only obligated to pay rent for the next fiscal year, successive term payments have not been included in the future minimum rental payment schedule.

Total rent expense for leased headquarters office space amounted to \$136,903 and \$119,396 for the years ended December 31, 2014 and 2013, respectively. IDE leases office space and provides housing for country directors in multiple countries. Total rent expense under these leases amounted to \$465,513 and \$422,422 for the years ended December 31, 2014 and 2013, respectively.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 4 OPERATING LEASE (CONTINUED)

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

<u>Year</u>	<u>Amount</u>
2015	\$ 385,716
2016	141,023
2017	77,923
2018	46,280
2019	5,240
Total	<u>\$ 656,182</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. Employer contributions were frozen for all employees with the exception of certain country directors in 2013. Employer contributions to the plan were unfrozen during 2014. Contributions for the years ended December 31, 2014 and 2013 amounted to \$69,045 and \$12,299, respectively.

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 prices 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 CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 6 FAIR VALUE MEASUREMENTS

For the year ended December 31, 2014, there were no amounts valued at fair value. The following table presents the fair value measurements of assets recognized in the accompanying consolidated statement 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, 2013:

	Assets at Fair Value as of December 31, 2013		
	Level 1	Level 2	Level 3
Investments:			
Mutual Funds:			
Domestic Stock	\$ 34,783	\$ -	\$ -

Investment income presented on the consolidated statements of activities and changes in net assets for the years ended December 31, 2014 and 2013 are as follows:

	2014	2013
Unrealized Gain (Loss)	\$ (1,847)	\$ 7,481
Dividends	4,382	1,132
Interest	28,683	70,054
Total	\$ 31,218	\$ 78,667

NOTE 7 CASH AND CASH EQUIVALENTS

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 balance of assets held at December 31, 2014 and 2013 are \$55,379 and \$1,423,873, respectively, which were advanced for grants that have purpose restrictions.

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 8 PROPERTY AND EQUIPMENT

Property and equipment at December 31 consists of the following:

	<u>2014</u>	<u>2013</u>
Buildings and Improvements	\$ 57,577	\$ 57,577
Furniture and Equipment	412,617	372,453
Vehicles	498,197	412,952
Total	<u>968,391</u>	<u>842,982</u>
Less: Accumulated Depreciation	<u>(642,901)</u>	<u>(542,406)</u>
Net Property and Equipment	<u>\$ 325,490</u>	<u>\$ 300,576</u>

Depreciation expense for the years ended December 31, 2014 and 2013 totaled \$152,457 and \$185,327, respectively.

NOTE 9 NOTES PAYABLE

In 2012, Hydrologic entered into a note payable agreement with a financial institution for \$300,000. The note matures on September 15, 2015 and bears interest at 11.05%. Quarterly principal payments are due in the amount of \$25,000 starting on December 15, 2012. As of December 31, 2014 and 2013, the balance due was \$75,000 and \$175,000, respectively.

In 2013, Hydrologic entered into a note payable agreement with IDE-Canada for \$150,000. The note matures on December 31, 2018 and bears interest at 5%. Semi-annual principal payments are due in the amount of \$25,000 starting on June 30, 2016. As of December 31, 2014 and 2013, the balance due was \$150,000.

The following is a schedule of the future minimum principal payments due on the notes for the years ending December 31:

<u>Year</u>	<u>Amount</u>
2015	\$ 75,000
2016	50,000
2017	50,000
2018	50,000
Total	<u>\$ 225,000</u>

INTERNATIONAL DEVELOPMENT ENTERPRISES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 10 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2014 and 2013 are available for the following uses:

	2014	2013
Adapting the Farm Business Advisor Model Training Program Supporting the Implementation of a Low-Cost Well-Drilling Program	\$ 251,469	\$ -
Cambodian SMSU Project	38,327	38,327
Bangladesh: Smallholder Farmers Agricultural Technologies and Services	16,223	793,728
Rural Prosperity Initiative	829	829
SMSU SFF	-	178,746
	-	412,243
Total Temporarily Restricted Net Assets	\$ 306,848	\$ 1,423,873

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 consolidated financial statements.

NOTE 12 DISCONTINUED OPERATIONS

IDE's gain on discontinued operations of the Greenhouse Project, LLC of \$-0- during the years ended December 31, 2014 and 2013 consisted of the following:

	2014	2013
Revenue	\$ -	\$ 511,210
Expenses	-	(245,979)
Loss on Disposal of Assets	-	(265,231)
Gain on Discontinued Operations	\$ -	\$ -

All assets and liabilities of the Greenhouse Project, LLC were sold in December 2013. In connection with the sale of the Greenhouse Project, LLC there was an outstanding promissory note receivable of \$55,567 between the purchaser of the Greenhouse Project, LLC and IDE as of December 31, 2013. The balance of the promissory note receivable as of December 31, 2014 was \$44,454. The note bears a 5.25% per annum interest rate that compounds on a quarterly basis. Quarterly payments on the note are scheduled to commence on March 15, 2014 and end on December 15, 2018.

**INTERNATIONAL DEVELOPMENT ENTERPRISES
SCHEDULE OF SUPPORT AND REMAINING COMMITMENTS
UNDER CURRENT GRANTS
YEAR ENDED DECEMBER 31, 2014**

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
SUPW Multicountry	\$ 6,283,558	\$ 5,883,558	\$ 400,000	\$ -	\$ -
SMSU Gates	3,987,717	2,759,717	-	1,228,000	782,574
POP Gates	7,315,925	7,315,925	-	-	180,407
FLO COOP	1,136,630	880,232	157,185	99,213	260,743
ANE Multicountry	5,397,000	1,066,183	603,986	3,726,831	721,254
SMART	5,107,410	4,373,280	134,287	599,843	50,240
IRP Multicountry	3,365,620	972,390	630,142	1,763,088	521,235
AVAI	2,492,301	1,874,000	618,301	-	844,046
PROOFS	6,109,880	1,406,014	798,889	3,904,977	1,147,608
CSISA	2,625,256	922,483	823,065	879,708	1,246,510
SAII	3,625,360	587,062	652,007	2,386,291	521,320
CSWSHF/DFAT	6,632,680	-	2,078,416	4,554,264	1,060,677
SUPW2/SDC	4,506,410	-	1,557,790	2,948,620	1,417,482
Total Projects with Contracts	<u>\$ 58,585,747</u>	<u>\$ 28,040,844</u>	<u>\$ 8,454,068</u>	<u>\$ 22,090,835</u>	<u>\$ 8,754,096</u>
Total Grant Support					<u>\$ 8,754,096</u>

**INTERNATIONAL DEVELOPMENT ENTERPRISES
SCHEDULE OF SUPPORT AND REMAINING COMMITMENTS
UNDER CURRENT GRANTS
YEAR ENDED DECEMBER 31, 2013**

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
SUPW Multicountry	\$ 6,283,558	\$ 3,970,030	\$ 1,913,528	\$ 400,000	\$ 2,150,488
Bangladesh RED	1,217,050	651,355	159,531	406,164	105,763
NZAID-CADF	1,335,195	1,335,195	-	-	485,756
EIG Nepal	1,201,777	1,192,032	9,745	-	-
RAPID Ethiopia	2,101,422	1,914,318	187,104	-	-
SMSU Gates	3,987,717	1,304,644	1,455,073	1,228,000	945,475
POP Gates	7,315,925	5,172,644	2,143,281	-	2,415,672
FLO COOP	1,136,630	694,502	185,430	256,698	210,601
ANE Multicountry	5,397,000	463,309	602,874	4,330,817	648,008
SMART	4,201,966	1,335,174	3,038,106	(171,314)	2,941,857
IRP Multicountry	3,365,620	429,253	543,137	2,393,230	611,692
AVAI	2,492,301	1,058,000	816,000	618,301	833,876
PROOFS	6,109,880	-	1,406,014	4,703,866	467,541
CSISA	1,242,492	-	922,483	320,009	523,327
SAII	3,625,360	-	587,062	3,038,298	666,365
Total Projects with Contracts	<u>\$ 51,013,893</u>	<u>\$ 19,520,456</u>	<u>\$ 13,969,368</u>	<u>\$ 17,524,069</u>	<u>13,006,421</u>
Total Grant Support					<u>\$ 13,006,421</u>