

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.**

Non-consolidated Financial Statements
For the year ended December 31, 2023

IDE INTERNATIONAL DEVELOPMENT ENTERPRISES ASSOCIATION INC.

Non-consolidated Financial Statements For the year ended December 31, 2023

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Independent Auditor's Report

To the Board of Directors of IDE International Development Enterprises Association Inc.

Opinion

We have audited the non-consolidated financial statements of IDE International Development Enterprises Association Inc. (the "organization"), which comprise the non-consolidated statement of financial position as at December 31, 2023, and the non-consolidated statements of changes in net assets, operations and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the non-consolidated Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
April 29, 2024

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.
Non-consolidated Statement of Financial Position**

December 31	2023	2022
Assets		
Current Assets		
Cash and bank	\$ 1,571,608	\$ 4,000,200
Short-term investments (Note 3)	637,228	-
Accounts receivable	71,239	106,240
Accrued interest	28,910	-
Due from related parties (Note 11)	33,742	27,218
Project advances (Note 5)	505,564	675,396
Prepaid expenses	1,023	1,688
	2,849,314	4,810,742
Investment in iDEal Technologias y Compania Ltda. (Note 4)	1	1
	\$ 2,849,315	\$ 4,810,743
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 198,192	\$ 58,624
Due to related parties (Note 11)	-	262,214
Deferred revenue (Note 8)	854,412	2,749,457
	1,052,604	3,070,295
Net Assets		
Board reserves		
RUSHING fund	-	146,832
HTTG fund	433,216	313,803
Polak fund	570,000	520,000
Leverage fund	221,460	221,460
Operating reserve	364,262	364,262
Unrestricted surplus	207,773	174,091
	1,796,711	1,740,448
	\$ 2,849,315	\$ 4,810,743

Approved by the Board:

 _____ Director

 _____ Director

IDE INTERNATIONAL DEVELOPMENT ENTERPRISES ASSOCIATION INC.
Non-consolidated Statement of Changes in Net Assets

For the year ended December 31, 2023

	RUSHING Fund	HTTG Fund	Nepal Fund	Polak Fund	Leverage Fund	Operating Reserve	Unrestricted Surplus	Total
Balance, December 31, 2021	\$ 67,398	\$ -	\$ 24,634	\$ 100,000	\$ 28,420	\$ 352,955	\$ 845,916	\$ 1,419,323
Excess of revenue over expenses	-	-	-	-	-	-	321,125	321,125
Transfers	79,434	313,803	(24,634)	420,000	193,040	11,307	(992,950)	-
Balance, December 31, 2022	146,832	313,803	-	520,000	221,460	364,262	174,091	1,740,448
Excess of revenue over expenses	-	-	-	-	-	-	56,263	56,263
Transfers	(146,832)	119,413	-	50,000	-	-	(22,581)	-
Balance, December 31, 2023	\$ -	\$ 433,216	\$ -	\$ 570,000	\$ 221,460	\$ 364,262	\$ 207,773	\$ 1,796,711

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.
Non-consolidated Statement of Operations**

For the year ended December 31	2023	2022
Revenue		
Donations	\$ 1,396,889	\$ 1,358,306
Government grants (Page 16)	3,688,483	2,418,251
Interest and other	89,404	52,316
Program services	-	29,664
	5,174,776	3,858,537
Expenses		
International programs (Page 16)	4,515,663	3,159,550
Fundraising	454,912	216,704
General and administrative expenses	147,938	118,175
Public engagement and education	-	42,983
	5,118,513	3,537,412
Excess of revenue over expenses	\$ 56,263	\$ 321,125

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.
Non-consolidated Statement of Cash Flows**

For the year ended December 31	2023	2022
Cash flows provided by (used in):		
Cash Flows from Operating Activities		
Excess of revenue over expenses	\$ 56,263	\$ 321,125
Net change in non-cash working capital		
Accounts receivable	35,001	(56,413)
Accrued interest	(28,910)	-
Due from related parties	(6,524)	174,422
Project advances	169,832	(541,436)
Prepaid expenses	665	(1,688)
Accounts payable and accrued liabilities	139,568	(5,961)
Deferred revenue	(1,895,045)	2,335,181
	<u>(1,529,150)</u>	<u>2,225,230</u>
Cash Flows from Financing Activities		
Purchase of short term investments	(637,228)	-
Advances to related parties	(262,214)	(249,431)
	<u>(899,442)</u>	<u>(249,431)</u>
Increase (decrease) in cash and bank	(2,428,592)	1,975,799
Cash and bank, beginning of year	<u>4,000,200</u>	<u>2,024,401</u>
Cash and bank, end of year	\$ 1,571,608	\$ 4,000,200

IDE INTERNATIONAL DEVELOPMENT ENTERPRISES ASSOCIATION INC.

Notes to Non-consolidated Financial Statements

For the year ended December 31, 2023

1. Nature of Operations

IDE International Development Enterprises Association Inc. is a registered charity under the Income Tax Act.

The organization is the Canadian arm of IDE. As part of IDE's global operations, the organization is responsible for the development and oversight of specific projects implemented through IDE field offices. IDE's consolidated global operations are reported on separately and only its Canadian operations are reflected in these non-consolidated financial statements.

2. Summary of Significant Accounting Policies

Basis of Accounting

The non-consolidated financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Revenue Recognition

The organization follows the deferral method of accounting for contributions. Revenue, primarily grant revenue, which contains conditions to its use, is deferred until the conditions are fulfilled. Donation revenue is recorded when received. Donation revenue received for specific campaigns is unrestricted and will be used at the discretion of the board. The Board's practice is to allocate these funds as per the donor's request. If response to an appeal exceeds the amount needed for the designated project or if a project cannot be completed, the excess or remaining funds will be used where most needed.

Investments

On February 20, 2018, the organization acquired 99% ownership from iDE Global, the ownership of iDEal Technologies y Compania Lta., a Nicaraguan corporation.

The organization's investment in iDEal Technologies y Compania Lta., a Nicaraguan private corporation, subject to control, is accounted for by the cost method.

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.
Notes to Non-consolidated Financial Statements**

For the year ended December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Investments (continued)

The cost method is a basis of accounting for investments whereby the investment is initially recorded at cost and earnings from such investments are recognized only to the extent received or receivable. When there is an indication of impairment, the organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the investment. If the organization identifies a significant adverse change, the carrying amount of the investment is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the investment, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the reduction is recognized as an impairment loss in net income. A previously recognized impairment loss may be reversed to the extent of improvement, provided the adjusted carrying amount of the investment is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income in the period the reversal occurs.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Computer equipment	5 year straight-line
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Operating Reserve

This reserve fund was established by the Board of Directors to provide continuity of operations in the event of future shortfalls in revenue over expenses.

RUSHING Fund

This fund was set up to show donations designated but not yet disbursed to support IDE's sanitation marketing work in Ghana.

Her Time To Grow (HTTG) Fund

The Her Time to Grow Fund was set up to manage donations toward Her Time to Grow - a four-year project, focused on women's economic empowerment in agriculture in Ethiopia, Ghana and Zambia, funded by Global Affairs Canada. iDE Canada needs to raise \$780,000 as a match for the Global Affairs Canada contribution of \$7.8M. The fund holds donations designated toward the project. Matching funds are drawn out of the fund as they are spent on the project.

IDE INTERNATIONAL DEVELOPMENT ENTERPRISES ASSOCIATION INC.

Notes to Non-consolidated Financial Statements

For the year ended December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Nepal Fund

This fund was set up to show donations designated but not yet disbursed to support IDE's work in Nepal.

Polak Fund

This fund was set up to show donations designated but not yet disbursed to support strategic research or processes that would provide new opportunities in IDE's existing programming.

Leverage Fund

This internally restricted fund supports projects that match fund resources with matching grant or investment money. The fund provides strategic investments in projects that mobilize significant additional resources, which may be in a variety of forms, including government grants or subsidies, financing or private investment. Management proposes fund investments for approval by the Board of Directors.

Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets in actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs are the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.
Notes to Non-consolidated Financial Statements**

For the year ended December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of non-consolidated financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Short-term investments

	2023	2022
Scotiabank GIC, 3.75%, maturing January 17, 2024	\$ 200,000	\$ -
Scotiabank GIC, 5.20%, maturing February 09, 2024	437,228	-
	\$ 637,228	\$ -

4. Investment in iDEal Tecnologias y Compania Lta.

On February 20, 2018, the organization acquired from iDE Global, 99% of iDEal Tecnologias y Compania Lta., a Nicaraguan corporation. This corporation provides irrigation equipment for the agricultural and industrial industries and agro industrial consulting services throughout Nicaragua. Subsequent to the purchase of iDEal Tecnologias y Compania Lta., the organization decided to write down the investment to \$1 due to operating losses by iDEal Tecnologias y Compania Lta. The write down amount was \$205,792.

5. Project Advances

The following table summarizes the organization's project advances for the year:

	2023	2022
HTTG	\$ 448,970	\$ 576,980
Producto Integral	56,594	-
RUSHING	-	98,416
	\$ 505,564	\$ 675,396

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.
Notes to Non-consolidated Financial Statements**

For the year ended December 31, 2023

6. Capital Assets

	<u>2023</u>		<u>2022</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment and software	\$ 14,326	\$ 14,326	\$ 14,326	\$ 14,326
Net book value		\$ -		\$ -

7. Accounts Payable and Accrued Liabilities

	<u>2023</u>		<u>2022</u>	
Trade accounts payable	\$ 134,300		\$ 19,078	
Accrued salaries and wages		63,892		39,546
	\$ 198,192		\$ 58,624	

8. Deferred Revenue

Deferred contributions include designated government grants and contributions that remain unspent to December 31, 2023, as set out in the following table:

	<u>Opening</u>	<u>Accrued</u>	<u>Recognized</u>	<u>Closing</u>
Global Affairs Canada				
Rushing	\$ 1,569,999	\$ -	\$ (1,569,999)	\$ -
HTTG	1,179,458	1,446,508	(2,074,610)	551,356
Contributions				
Polak Fund	-	46,048	-	46,048
Producto Integral	-	268,468	(11,460)	257,008
	\$ 2,749,457	\$ 1,761,024	\$ (3,656,069)	\$ 854,412

Deferred contributions recognized as revenue are included in the designated government grants on the statement of operations.

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.
Notes to Non-consolidated Financial Statements**

For the year ended December 31, 2023

9. International Programs

In 2023, international programs consisted primarily of:

- a) Supporting women entrepreneurs and smallholder farmers in developing countries to increase their productivity and profitability.
- b) The development of a water, sanitation and hygiene marketing program in Ghana.
- c) Supporting innovation of new solutions to create opportunities for entrepreneurs and smallholder farmers in developing countries.

Throughout the year, the organization provided funding to IDE entities of \$4,515,663 (\$3,159,550 in 2022). As at December 31, 2023, a receivable of \$505,564 (\$675,396 in 2022) was due from IDE field offices, these amounts are non-interest bearing and have no terms of repayment.

10. Allocation of Expenses

Salaries and benefits totaling \$772,990 (\$558,580 in 2022) have been allocated between the various programs as follows:

	<u>2023</u>	<u>2022</u>
General and administrative expenses	\$ 120,506	\$ 96,682
Fundraising	250,347	112,233
Public engagement and education	-	37,525
International programs	<u>402,137</u>	<u>312,140</u>
	<u>\$ 772,990</u>	<u>\$ 558,580</u>

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.
Notes to Non-consolidated Financial Statements**

For the year ended December 31, 2023

11. Related Parties Disclosures

The following table summarizes the organization's related party transactions for the year:

	<u>2023</u>	<u>2022</u>
General and administrative expenses - Rent and utilities services received from a Director's 100% owned company.	\$ 31,568	\$ 30,041

These transactions are in the normal course of operations, measured at the exchange amount, which is the amount agreed upon by the two parties.

The amounts due (to) from related parties at year end are as follows:

	<u>2023</u>	<u>2022</u>
Due from IDE - US	\$ 9,050	\$ -
Due from iDEal	24,692	27,218
Total	\$ 33,742	\$ 27,218

	<u>2023</u>	<u>2022</u>
Due to IDE - US	\$ -	\$ 262,214

IDE - US is an affiliated not-for-profit organization with similar purposes, goals and policies. The amount due from are a result of grant expenses paid by one organization on behalf of the other. There is no security or terms of repayment for these amounts.

iDEal - Nicaragua is an affiliated for profit organization. The amounts due from are advances made to assist with cash flow for the organization. There is no security or terms of repayment for these amounts.

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.
Notes to Non-consolidated Financial Statements**

For the year ended December 31, 2023

12. Financial Instrument Risk

The organization, through its financial assets and liabilities, is exposed to various risks in the normal course of operations. The organization's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the organization's activities. The following analysis provides a measurement of these risks at December 31, 2023.

(a) Credit Risk and Market Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the organization to credit risk consist principally of accounts receivable, loan receivable and project advances. The organization limits its exposure to credit risk and market risk by maintaining a diversified portfolio and by investing in high quality investments.

(b) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization's maximum exposure to foreign exchange risk is summarized below:

	<u>2023</u>	<u>2022</u>
US Dollar - Cash	<u>\$ 8,108</u>	<u>\$ 263,006</u>

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Financial instruments, which potentially subject the organization to interest risk, consist of long-term debt.

There have not been any changes in these risks from the prior year.

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.
Non-consolidated Supporting Schedules**

For the year ended December 31 **2023** **2022**

Detailed Schedule of Government Grants

Global Affairs Canada		
Rushing	\$ 1,569,999	\$ 1,438,031
HTTG	2,074,610	773,396
Manitoba Council for International Cooperation	<u>43,874</u>	<u>206,824</u>
	\$ 3,688,483	\$ 2,418,251

Detailed Schedule of International Program Expenses

Bangladesh	\$ -	\$ 171,200
Cambodia	234,952	-
Ethiopia	-	14,607
Ethiopia - HTTG	660,975	135,744
Ghana	47,732	64,344
Ghana - Rushing	1,246,552	1,191,533
Ghana - HTTG	423,943	125,569
International support	597,138	647,212
Mozambique	54,572	46,467
Nepal	151,012	178,254
Nicaragua	-	23,228
Nicaragua - Producto Integral	11,460	-
Nicaragua - LMM	40,000	-
United States	162,132	19,995
United States - Rushing	38,166	92,423
United States - HTTG	188,964	128,851
United States - MSRI	20,455	-
Zambia	-	19,754
Zambia - HTTG	637,610	<u>300,369</u>
	\$ 4,515,663	\$ 3,159,550

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES
ASSOCIATION INC.
Global Affairs Canada (GAC) Schedules**

For the year ended December 31, 2023

Schedule A - Summary Statement of Revenue

	GAC Funded	Non-GAC	Activities	Total
Government Revenue				
GAC NGO/ICD division	\$ 3,644,609	\$ -	\$ -	\$ 3,644,609
Provincial government (MCIC)	-	43,874	-	43,874
Private Revenue				
Canadian matchable	-	1,396,889	-	1,396,889
Interest income	19,206	-	58,738	77,944
Producto Integral	-	11,460	-	11,460
Total revenue	\$ 3,663,815	\$ 1,452,223	\$ 58,738	\$ 5,174,776

Schedule B - Restricted Funds Received But Not Disbursed by Year End

Liability and/or fund account(s) (1) deferred revenue	\$ 854,412
Not disbursed by year end (3)	854,412

Summary of total restricted funds received but not disbursed by year-end:

	Previous Year	Current Year
Global Affairs Canada Funds	\$ 2,749,457	\$ 551,356
Other Contributions	-	303,056
Total restricted funds but not disbursed by year end (4)	\$ 2,749,457	\$ 854,412