

PRECISION DEVELOPMENT, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023



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PRECISION DEVELOPMENT, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Precision Development, Inc.
Newton, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Precision Development, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Precision Development, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Precision Development, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Precision Development, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Precision Development, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

Quincy, Massachusetts
July 10, 2025

PRECISION DEVELOPMENT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,081,447	\$ 2,836,296
Grants Receivable	2,173,542	16,057
Accounts Receivable	140,900	217,738
Prepaid Expenses and Other Assets	119,317	119,257
Total Current Assets	<u>7,515,206</u>	<u>3,189,348</u>
NONCURRENT ASSETS		
Right-of-Use Asset, Net	<u>-</u>	<u>5,194</u>
Total Assets	<u><u>\$ 7,515,206</u></u>	<u><u>\$ 3,194,542</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 38,228	\$ 66,642
Accrued Expenses and Other Liabilities	42,228	98,565
Lease Liabilities	-	5,194
Total Liabilities	<u>80,456</u>	<u>170,401</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated	222,721	123,038
Designated by the Board for Operating Reserve	400,000	175,000
Total Without Donor Restrictions	<u>622,721</u>	<u>298,038</u>
With Donor Restrictions	6,812,029	2,726,103
Total Net Assets	<u>7,434,750</u>	<u>3,024,141</u>
Total Liabilities and Net Assets	<u><u>\$ 7,515,206</u></u>	<u><u>\$ 3,194,542</u></u>

See accompanying Notes to Financial Statements.

PRECISION DEVELOPMENT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Gifts, Grants, and Contributions	\$ 1,378,876	\$ 7,601,745	\$ 8,980,621
Program Revenue	85,842	-	85,842
Investment and Currency Exchange Loss, Net	40,944	-	40,944
Other Income	9,440	-	9,440
Net Assets Released from Restrictions - Other	3,515,819	(3,515,819)	-
Total Revenue, Support, and Gains	<u>5,030,921</u>	<u>4,085,926</u>	<u>9,116,847</u>
EXPENSES			
Program Services	4,023,993	-	4,023,993
Management and General	648,152	-	648,152
Fundraising	34,093	-	34,093
Total Expenses	<u>4,706,238</u>	<u>-</u>	<u>4,706,238</u>
CHANGE IN NET ASSETS	324,683	4,085,926	4,410,609
Net Assets - Beginning of Year	<u>298,038</u>	<u>2,726,103</u>	<u>3,024,141</u>
NET ASSETS - END OF YEAR	<u><u>\$ 622,721</u></u>	<u><u>\$ 6,812,029</u></u>	<u><u>\$ 7,434,750</u></u>

See accompanying Notes to Financial Statements.

PRECISION DEVELOPMENT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Gifts, Grants, and Contributions	\$ 2,281,997	\$ 3,613,106	\$ 5,895,103
Program Revenue	204,459	-	204,459
Investment and Currency Exchange Loss, Net	(1,279)	-	(1,279)
Other Income	64,835	-	64,835
Net Assets Released from Restrictions - Other	2,411,612	(2,411,612)	-
Total Revenue, Support, and Gains	<u>4,961,624</u>	<u>1,201,494</u>	<u>6,163,118</u>
EXPENSES			
Program Services	3,187,862	-	3,187,862
Management and General	1,849,571	-	1,849,571
Fundraising	196,614	-	196,614
Total Expenses	<u>5,234,047</u>	<u>-</u>	<u>5,234,047</u>
CHANGE IN NET ASSETS	(272,423)	1,201,494	929,071
Net Assets - Beginning of Year	<u>570,461</u>	<u>1,524,609</u>	<u>2,095,070</u>
NET ASSETS - END OF YEAR	<u><u>\$ 298,038</u></u>	<u><u>\$ 2,726,103</u></u>	<u><u>\$ 3,024,141</u></u>

See accompanying Notes to Financial Statements.

PRECISION DEVELOPMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 2,307,459	\$ 162,204	\$ 22,031	\$ 2,491,694
Employee Benefits	241,023	6,202	3,419	250,644
Payroll Taxes	74,914	17,147	-	92,061
Contract Personnel Costs	333,853	172,415	31	506,299
Implementation and Field Costs	670,846	2,283	426	673,555
Travel and Meeting Costs	194,295	26,933	3,863	225,091
Professional Fees	29,123	131,630	3,288	164,041
Lease Costs	30,628	11,793	296	42,717
Insurance	14,435	8,260	-	22,695
Information Technology and Equipment	115,249	76,438	20	191,707
Office Expenses	7,695	3,587	8	11,290
Miscellaneous Expense	4,473	29,260	711	34,444
Total Expenses by Function	<u>\$ 4,023,993</u>	<u>\$ 648,152</u>	<u>\$ 34,093</u>	<u>\$ 4,706,238</u>

See accompanying Notes to Financial Statements.

PRECISION DEVELOPMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 1,628,926	\$ 1,095,684	\$ 161,718	\$ 2,886,328
Employee Benefits	303,716	197,633	2,738	504,087
Payroll Taxes	100,108	89	2,717	102,914
Contract Personnel Costs	425,315	204,831	19,439	649,585
Implementation and Field Costs	432,389	91	-	432,480
Travel and Meeting Costs	105,129	45,925	8,131	159,185
Professional Fees	50,369	124,088	41	174,498
Lease Costs	62,457	9,665	1,586	73,708
Insurance	3,039	18,921	-	21,960
Information Technology and Equipment	48,171	140,389	-	188,560
Office Expenses	15,773	2,026	88	17,887
Depreciation Expense	3,825	-	-	3,825
Miscellaneous Expense	8,645	10,229	156	19,030
	<u>\$ 3,187,862</u>	<u>\$ 1,849,571</u>	<u>\$ 196,614</u>	<u>\$ 5,234,047</u>
Total Expenses by Function	<u>\$ 3,187,862</u>	<u>\$ 1,849,571</u>	<u>\$ 196,614</u>	<u>\$ 5,234,047</u>

See accompanying Notes to Financial Statements.

PRECISION DEVELOPMENT, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 4,410,609	\$ 929,071
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	-	3,825
Changes in Operating Assets and Liabilities:		
Grants Receivable	(2,157,485)	(16,057)
Accounts Receivable	76,838	(87,494)
Prepaid Expenses and Other Assets	(60)	119,622
Accounts Payable and Accrued Expenses	(28,414)	(18,689)
Accrued Payroll and Related Costs	(56,337)	48,026
Net Cash Provided by Operating Activities	<u>2,245,151</u>	<u>978,304</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds (Purchases) of Investments, Net	<u>-</u>	<u>1,031,766</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,245,151	2,010,070
Cash and Cash Equivalents - Beginning of Year	<u>2,836,296</u>	<u>826,226</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 5,081,447</u></u>	<u><u>\$ 2,836,296</u></u>

See accompanying Notes to Financial Statements.

**PRECISION DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Precision Development, Inc. (the Organization) was incorporated in December 2015 under Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code (IRC). Effective September 2020, the Organization's legal name was changed from Precision Agriculture for Development, Inc. to Precision Development, Inc.

The Organization has been classified as an organization which is not a private foundation under IRC Section 509(a); accordingly, contributions made to this organization qualify for the maximum charitable deduction for federal income tax purposes. The Organization is primarily funded through individuals and foundation donations and grants.

Foreign Registration

As more fully described in Note 8, the Organization is conducting program activities in several countries. In June 2018, the Organization registered a foreign branch office in Kenya under The Companies Act, 2015, and the Kenyan branch office began operations during the year ended December 31, 2019. In October 2019, the Organization registered a foreign branch office in Ethiopia. Registration of branch offices in the other countries in which the Organization operates are not required and have not been sought.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less. Cash and cash equivalents does not include cash pooled with investments.

Grants Receivable

Grants receivable reflects the balances due on unconditional grant commitments. The portion of receivables which is scheduled for payment in the coming fiscal year is classified as current, while commitments that exceed one year are classified as noncurrent. As of December 31, 2024 and 2023, grants receivable totaling \$2,173,542 and \$16,057 were due within one year, respectively.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in a period beyond one year are recorded at net realizable value, discounted for the present value of estimated future cash flows. The discounts on those amounts are computed using the Organization's internal investment rate of return applicable in the year of the gift. As of December 31, 2024 and 2023, a discount to determine present value was not considered necessary.

**PRECISION DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable reports amounts due under agreements for professional services. Management determines the allowance for credit losses based on historical experience, an assessment of economic conditions, and a review of subsequent collections. If amounts are determined to be uncollectible are written off. Management considers all receivables to be fully collectible and, therefore, has not established a reserve for credit allowances at December 31, 2024 and 2023.

Leases

The Organization leases office space under operating lease agreements. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating right-of-use (ROU) assets, current operating lease liabilities, and long-term operating lease liabilities on the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense is incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

PRECISION DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

To determine revenue recognition for the arrangements that the Organization determines are within the scope of Topic 606, the Organization performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligation(s) in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation(s) in the contract, and (5) recognize revenue when the Organization satisfies a performance obligation. Revenue recognized in accordance with Topic 606 includes data collection and data quality programs and other similar programs. This revenue is recognized as revenue without restrictions over time when the services occur. Contract assets related to Topic 606 revenue are included in accounts receivable and totaled \$140,900 and \$217,738 at December 31, 2024 and 2023, respectively.

The Organization receives grants and contributions from various donors and grantors, including unconditional promises to give, that are recognized as revenue in the period received. Conditional grants, contributions, and promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. See Note 8 for detail of conditional grants.

Contributed Nonfinancial Assets

The Organization maintains a policy whereby the value of donated goods and services which require specialized skills and which would have otherwise been purchased by the Organization, are recognized on the statement of activities and are listed as expenses on the statement of functional expenses. The Organization receives a significant time commitment from its board of directors on a volunteer basis; however, although critical to the success of the Organization, these services do not meet the recognition criteria prescribed by accounting principles generally accepted in the United States of America. Contributed goods are recorded at fair value at the date of donation. There were no contributed nonfinancial assets during 2024 or 2023.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**PRECISION DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses (Continued)

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other expenses, which are allocated on the basis of estimates of time and effort.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Subsequent Events

Subsequent events have been evaluated through July 10, 2025, the date the financial statements were available to be issued.

NOTE 2 PROGRAM SERVICES

The Organization is a nonprofit organization with a mission to support people living in extreme poverty by providing customized digital information and services that increase productivity, profitability, and environmental sustainability. The Organization is pioneering a model for digital development: reaching smallholder farmers and other users with personalized advice through their mobile phones. The Organization collaborates with in-country partners, governments, and multilateral institutions to reach users at scale with mobile-based personalized advice and gather evidence of its impact.

Using two-way communication and information aggregation, the Organization offers its users valuable and practical information, customized to their geography, market, and characteristics. The Organization incorporates insight from behavioral economics, human-centered design, and social learning theory, and makes use of A/B testing and data science to identify what types of information and delivery mechanisms work best for its users.

To date, the Organization and its partners service 5.3 million users. The Organization works in eleven countries in Africa, Asia and Latin America, and is expanding as governments and organizations look for innovative ways to utilize new technologies to deliver actionable information to people who need it.

PRECISION DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, perpetual endowments and accumulated earnings net of appropriations with one year, because the governing board has set aside the funds for a specific contingency reserve or a long-term investment as board-designated endowments, or when restricted by donors for purposes more limited than general expenditures.

	2024	2023
Cash and Cash Equivalents	\$ 5,081,447	\$ 2,836,296
Grants and Accounts Receivables	2,314,442	233,795
Total Financial Assets	<u>7,395,889</u>	<u>3,070,091</u>
Less Amounts Not Available to be Used Within One Year:		
Board-Designated Reserves	(400,000)	(175,000)
Donor-Restricted Net Assets	<u>(6,812,029)</u>	<u>(2,726,103)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 183,860</u>	<u>\$ 168,988</u>

As part of the Organization's liquidity management, the board of directors has a policy to structure the financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, board-designated funds may be made available for current operations, if necessary, with approval by the board.

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities.

NOTE 4 LEASES – ASC 842

The Organization occupied office space under noncancelable, operating lease agreements which ended during the year ending December 31, 2024. The following table provides quantitative information concerning the Organization's leases as of December 31:

	2024	2023
Lease Costs:		
Operating Lease Costs	<u>\$ 5,200</u>	<u>\$ 15,600</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ -	\$ 15,600
Weighted-Average Remaining Lease Term - Operating Leases	0 Years	0.3 Years
Weighted-Average Discount Rate - Operating Leases	0.00%	0.99%

PRECISION DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of unexpended donor-designated grants and contributions with the following restrictions as of December 31:

	2024	2023
Subject to Expenditure for Specified Purpose:		
Digital Agricultural Advisory and Market Linkages for Smallholder Coffee and Spice Farmers	\$ 132,525	\$ -
Effectiveness of Agriculture in India	1,477,884	2,140,424
Natural Hazards and Climate Risk Management	50,068	65,000
Enhancing Rock Weathering in Africa and India	-	200,000
Collections and Development of Date Warehousing in Kenya	-	150,000
Asset Collateralized Lending (ACLs) in Kenya	66,413	143,839
Leaf Color Charts (LCC) in India	597,320	26,840
Effectiveness of Agriculture in Ethiopia	4,487,819	-
Total Net Assets with Donor Restrictions	<u>\$ 6,812,029</u>	<u>\$ 2,726,103</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes by occurrence of events specified by the donors as follows for the years ended December 31:

	2024	2023
Digital Agricultural Advisory and Market Linkages for Smallholder Coffee and Spice Farmers	\$ 265,206	\$ 1,100,015
Effectiveness of Agriculture in India	1,919,965	125,000
Natural Hazards and Climate Risk Management	214,932	77,344
Enhancing Rock Weathering in Africa and India	200,000	150,000
Collections and Development of Date Warehousing in Kenya	150,000	850,000
Asset Collateralized Lending (ACLs) in Kenya	198,749	-
Leaf Color Charts (LCC) in India	451,989	72,960
Effectiveness of Agriculture in Ethiopia	114,978	-
Digital Education in East Africa	-	36,293
Total	<u>\$ 3,515,819</u>	<u>\$ 2,411,612</u>

The board of directors may designate financial assets as board-designated reserves. The total reserve at December 31, 2024 and 2023 was \$400,000 and \$175,000, respectively, which consisted of cash.

PRECISION DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 CONDITIONAL GRANTS

Restricted Grant Commitments

During 2023, the Organization received a conditional grant of \$350,000 to provide support towards a project titled Natural Hazards and Climate Risk Management, of which the Organization had met programmatic conditions to recognize \$50,000 and \$200,000 of grant revenue during the years ending December 31, 2023 and 2024, respectively. The remaining \$50,000 was deemed conditional as of December 31, 2024.

During 2023, the Organization received a conditional grant of up to \$74,845 to provide support towards a project titled the King Climate Action Initiative, of which the Organization had met programmatic conditions to recognize \$45,159 and \$18,295 of grant revenue during the years ending December 31, 2023 and 2024, respectively. The remaining \$11,391 was deemed conditional as of December 31, 2024. Expenses and revenue are recognized in the same period, therefore, revenue is not considered restricted at year-end.

During 2023, the Organization received a conditional grant of \$161,952 to provide support towards a project titled Asset Collateralized Lending (ACLs) in Kenya, of which the Organization had met programmatic conditions to recognize \$146,629 and \$15,323 of grant revenue during the years ending December 31, 2023 and 2024, respectively. The grant has been fully recognized as of December 31, 2024. This grant was awarded in foreign currency and translated to USD.

During 2024, the Organization received a conditional grant of \$274,742 to provide support towards a project titled Digital Agricultural Advisory and Market Linkages for Smallholder Coffee and Spice Farmers. During 2024, the Organization met the conditions to recognize \$137,731 of the grant. The remaining \$137,011 was deemed conditional as of December 31, 2024.

During 2024, the Organization received a conditional grant of \$242,866 to provide support towards a project titled Leaf Color Charts (LCC) in India. During 2024, the Organization met the conditions to recognize \$122,866 of the grant. The remaining \$120,000 was deemed conditional as of December 31, 2024.

During 2024, the Organization received a conditional grant of \$399,204 to provide support towards a project titled Leaf Color Charts (LCC) in India. During 2024, the Organization met the conditions to recognize \$199,602 of the grant. The remaining \$199,602 was deemed conditional as of December 31, 2024.

During 2024, the Organization received a conditional grant of \$100,229 to provide support towards a project titled Asset Collateralized Lending (ACLs) in Kenya. During 2024, the Organization met the conditions to recognize \$49,201 of the grant. The remaining \$11,147 was deemed conditional as of December 31, 2024.

**PRECISION DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 6 CONDITIONAL GRANTS (CONTINUED)

Restricted Grant Commitments (Continued)

During 2024, the Organization received a conditional grant of \$163,228 to provide support towards a project for Developing Digital Advisory Content in African and Asian Countries. During 2024, the Organization met the conditions to recognize \$79,523 of the grant and fully spent the amount resulting in the revenue not being restricted at year-end. The remaining \$83,705 was deemed conditional as of December 31, 2024. This grant was awarded in foreign currency and translated to USD.

NOTE 7 CONCENTRATIONS OF RISK

Cash

The Organization maintains cash balances in several federally insured financial institutions (FDIC), and beginning in 2019, the Organization maintained additional accounts for its excess deposit that are fully insured by the Depositors Insurance Fund. The cash exceeding federally insured limits totaled approximately \$4,767,350 and \$187,940 at December 31, 2024 and 2023, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. In addition, the Organization maintains bank accounts in Kenya and Ethiopia with balances of approximately \$12,885 and \$27,045 as of December 31, 2024, and \$21,467 and \$40,985, as of December 31, 2023, which are not part of the FDIC or DIF programs.

Grants Receivable

As of December 31, 2024 and 2023, 100% of the total Grants Receivable on the statements of financial position were made up of two donors and one donor, respectively.

Foreign Operations

Foreign operations are subject to risk inherent in operating under different legal systems and various political and economic environments. Changes or restriction in these systems and environments can have a significant impact on the areas where the Organization is able to operate some of its existing programs with its current mission.

As discussed in Note 1, the Organization registered a foreign branch office in Kenya under The Companies Act, 2015 in June 2018 and began operations during 2019. During the years presented, the Organization maintained bank accounts in Kenya, conducted financial transactions using Kenyan shillings and is subject to the volatility of the Kenyan Shilling to the U.S. Dollar. Any gain or loss resulting from fluctuations in the currency exchange rate is reported as an increase or decrease in net assets without donor restrictions in the accompanying statements of activities.

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NOTE 8 EMPLOYEE BENEFITS

The Organization maintains a 401(k) retirement savings plan covering all eligible employees based in the United States. The Plan allows eligible employees of the Organization to defer a percentage of their earnings from current taxation and allows for after tax contributions. The Plan makes a matching contribution of up to 4% of employee compensation. For the years ended December 31, 2024 and 2023, the Organization made matching 401k contributions of \$31,308 and \$29,186, respectively, which are included in Employee Benefits in the accompanying statements of functional expenses. Additionally, the Organization makes pension contributions in accordance with local payroll compliance requirements on behalf of its employees based in the United Kingdom, Kenya and Ethiopia.

NOTE 9 RELATED PARTY TRANSACTIONS

Salaries

During the years presented, the Organization's managing director is compensated as an employee and also serves as an officer of the board directors and his salary is allocated to various programs expense categories based on the nature of the services.

Contracted Services

An officer of the board of directors is compensated by the Jameel Poverty Action Lab (J-PAL), a research organization based at the Massachusetts Institute of Technology. He is a board member, the co-chair for research, and a member of the executive committee of J-Pal. This global organization supports J-Pal South Asia, an organization based in India which provide contracted services totaling \$118,939 and \$192,793 to the Organization in connection with implementation and field costs for the years ended December 31, 2024 and 2023, respectively.

