Financial Statements
December 31, 2025 and 2024

Engineers Without Borders-USA, Inc.

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Independent Auditor's Report

To the Audit Committee
Engineers Without Borders-USA, Inc.
Denver, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Engineers Without Borders-USA, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The financial statements of the Organization for the year ended December 31, 2024, were audited by another auditor, who expressed an unmodified opinion on those statements on August 6, 2025.

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.

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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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 the Organization'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 the Organization'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.

Eide Bailly LLP

Omaha, Nebraska
August 17, 2026

Engineers Without Borders-USA, Inc.
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 5,794,411	$ 5,272,651
Investments	5,694,099	5,194,239
Contributions and grants receivable, net of discount and allowance	123,592	1,285,173
Project advances	186,626	116,823
Prepaid expenses and other assets	103,263	90,363
Property and equipment, net	-	33,427
Endowment		
Cash and cash equivalents	6,401	2,335
Grants receivable, net of discount and allowance	-	100,000
Investments	702,764	588,904
Total assets	$ 12,611,156	$ 12,683,915
Liabilities and Net Assets		
Accounts payable	$ 23,165	$ 19,980
Accrued expenses and other liabilities	111,706	238,575
Deferred revenue	115,396	118,207
Total liabilities	250,267	376,762
Commitments		
Net Assets		
Without donor restrictions	4,548,458	4,026,058
With donor restrictions	7,812,431	8,281,095
Total net assets	12,360,889	12,307,153
Total liabilities and net assets	$ 12,611,156	$ 12,683,915

Engineers Without Borders-USA, Inc.

Statements of Activities

Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains						
Contribution and grants	$ 3,756,321	$ 5,003,697	$ 8,760,018	$ 3,612,855	$ 4,675,078	$ 8,287,933
Contributions of nonfinancial assets	1,348,375	-	1,348,375	1,379,625	-	1,379,625
Contributions received in acquisition	-	-	-	575,917	-	575,917
Registration fee income	183,986	-	183,986	-	-	-
Other income	21,299	-	21,299	26,208	-	26,208
Investment income	420,029	63,860	483,889	284,893	27,173	312,066
Net assets released from restriction	5,346,571	(5,346,571)	-	4,436,421	(4,436,421)	-
Total revenue, support, and gains	11,076,581	(279,014)	10,797,567	10,315,919	265,830	10,581,749
Expenses and Losses						
Program services	8,652,907	-	8,652,907	7,910,288	-	7,910,288
Management and general	1,110,078	-	1,110,078	1,188,105	-	1,188,105
Fundraising and development	791,196	-	791,196	634,257	-	634,257
Total expenses	10,554,181	-	10,554,181	9,732,650	-	9,732,650
Loss on uncollectable promises to give	-	189,650	189,650	-	-	-
Total expenses and losses	10,554,181	189,650	10,743,831	9,732,650	-	9,732,650
Change in Net Assets	522,400	(468,664)	53,736	583,269	265,830	849,099
Net Assets, Beginning of Year	4,026,058	8,281,095	12,307,153	3,442,789	8,015,265	11,458,054
Net Assets, End of Year	$ 4,548,458	$ 7,812,431	$ 12,360,889	$ 4,026,058	$ 8,281,095	$ 12,307,153

See Notes to Financial Statements

Engineers Without Borders-USA, Inc.

Statement of Functional Expenses

Year Ended December 31, 2025

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising and Development	Total
Salaries and related expenses	$ 2,105,272	$ 930,080	$ 549,805	$ 3,585,157
Project materials and logistic support	2,005,410	-	-	2,005,410
Project mentors	1,348,375	-	-	1,348,375
Grants	874,901	-	-	874,901
Travel	784,365	6,551	39,816	830,732
Contract services	479,736	32,990	71,381	584,107
Office expense	274,973	48,078	32,687	355,738
Meetings and convention	315,343	12,971	6,670	334,984
Miscellaneous expenses	1,862	35	40	1,937
Insurance	115,003	21,834	17,593	154,430
Occupancy	134,893	4,897	4,248	144,038
Professional fees	60,703	45,443	1,889	108,035
Bank fees	29,448	4,289	44,606	78,343
Promotional materials	44,702	144	15,406	60,252
Dues and subscriptions	41,939	510	640	43,089
License and fees	24,804	63	-	24,867
Printing and copying	3,051	1,241	4,845	9,137
Depreciation	6,796	-	-	6,796
Postage and delivery	1,331	952	1,570	3,853
Total expenses	$ 8,652,907	$ 1,110,078	$ 791,196	$ 10,554,181

Engineers Without Borders-USA, Inc.

Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising and Development	Total
Salaries and related expenses	$ 1,852,772	$ 942,229	$ 442,766	$ 3,237,767
Project materials and logistic support	1,688,791	1,485	-	1,690,276
Project mentors	1,379,625	-	-	1,379,625
Grants	1,057,690	-	3,750	1,061,440
Travel	734,077	13,210	27,578	774,865
Contract services	520,509	54,635	52,675	627,819
Office expense	255,070	51,241	31,392	337,703
Meetings and convention	20,278	10,248	1,425	31,951
Miscellaneous expenses	11,071	3,789	2,500	17,360
Insurance	105,362	27,548	14,692	147,602
Occupancy	132,523	6,704	3,575	142,802
Professional fees	57,455	69,842	3,733	131,030
Bank fees	27,427	4,820	37,054	69,301
Promotional materials	13,296	141	6,754	20,191
Dues and subscriptions	26,817	264	2,041	29,122
License and fees	12,216	1,115	-	13,331
Printing and copying	1,393	-	3,430	4,823
Depreciation	11,602	-	-	11,602
Postage and delivery	2,314	834	892	4,040
Total expenses	$ 7,910,288	$ 1,188,105	$ 634,257	$ 9,732,650

	2025	2024
Operating Activities		
Change in net assets	$ 53,736	$ 849,099
Adjustments to reconcile change in net assets to net cash from operating activities		
Realized and unrealized (gain) on investments	(130,067)	(12,669)
Depreciation	6,796	11,602
Amortization of discount on promises to give	-	(12,298)
Donated securities	-	(726,410)
(Gain) loss on sale of property and equipment	(12,748)	387
Loss on uncollectable promises to give	189,650	-
Contributions restricted for long-term purposes	-	(18,806)
Changes in assets and liabilities		
Contributions and grants receivable	1,021,931	45,992
Project advances	(69,803)	25,566
Prepaid expenses and other assets	(12,900)	(53,321)
Accounts payable	3,185	(73,837)
Accrued expenses and other liabilities	(126,869)	160,898
Deferred revenue	(2,811)	108,207
Net Cash from Operating Activities	920,100	304,410
Investing Activities		
Purchases of investments	(1,081,465)	(1,055,832)
Proceeds from sales of investments	593,746	346,181
Purchases of property and equipment	-	(5,106)
Proceeds from sales of property and equipment	39,379	-
Net cash used in Investing Activities	(448,340)	(714,757)
Financing Activities		
Collections of contributions restricted to endowment	54,066	68,806
Net Change in Cash and Cash Equivalents	525,826	(341,541)
Cash and Cash Equivalents, Beginning of Year	5,274,986	5,616,527
Cash and Cash Equivalents, End of Year	$ 5,800,812	$ 5,274,986

Note 1 - Principal Activity and Significant Accounting Policies

Organization

The Engineers Without Borders-USA, Inc. (EWB-USA or the Organization) was formed in 2002 and is a not-for-profit organization who utilizes professional and student volunteers to address critical infrastructure needs to underserved regions globally. EWB-USA coordinates projects at home and through affiliates abroad to address some of the most prevalent challenges facing developing communities, including water purification, sanitation, transportation, renewable energy, and other essential infrastructure projects.

EWB-USA has an office in Nicaragua. During the years ended December 31, 2025 and 2024, EWB-USA had approximately 10,000 volunteers within the United States of America, respectively. Volunteers are organized in 204 professional and student chapters. While the financial activities of the Nicaragua offices are included in EWB-USA's financial statements, some student chapters utilize the not-for-profit status of their respective University to raise funds for their projects and therefore, the financial activities related to those funds are not reflected in EWB-USA's financial statements. In 2025, EWB-USA began the process of closing the Nicaragua office.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature, or other long-term purposes are excluded from this definition. Cash and highly liquid financial instruments held within investment accounts are also excluded.

Receivables

Contributions

EWB-USA records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contributions and grants in the statements of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2025 and 2024, the allowance was approximately $190,000 and $300, respectively.

Grants

Grants receivable consist of reimbursements due from grantor agencies for expenses of EWB-USA under the terms of the various grant agreements.

Property and Equipment

Property and equipment additions over $1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets:

Furniture and equipment	3 – 10 years

When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2025 and 2024.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Gains or losses on investments are recognized as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Project Advances

EWB-USA advances money to its members for travel and in-country project expenses that are to take place in the future.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor 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.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions 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 purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Contributions

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional 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 substantially met.

Grants

A portion of the EWB-USA's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when EWB-USA has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. EWB-USA received cost-reimbursable grants of $1,154,797 and $763,075 that have not been recognized at December 31, 2025 and 2024, respectively, because qualifying expenditures have not yet been incurred. No amounts have been received in advance under federal and state contracts and grants.

Other

Conference revenue consists of registrations fees collected to attend the annual conference held in November put on by EWB-USA. Revenue is recognized when the conference is held.

The beginning and ending balances deferred revenue were as follows for the years ended December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024	January 1, 2024
Deferred revenue	$ 115,396	$ 118,207	$ 10,000

There were no accounts receivable associated with contracts with customers on the dates noted above.

Contributions of Non-Financial Assets

Contributed nonfinancial assets include donated professional services which are recorded at the respective fair values of the goods or services received (Note 8). In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America (U.S. GAAP).

Advertising Costs

Advertising costs are expensed as incurred and approximated $60,000 and $20,000 during the years ended December 31, 2025 and 2024, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates overhead costs, that are not attributable to a specific program or supporting activity, based on either financial or nonfinancial data, such as headcount, square-footage, or estimates of time and effort incurred by personnel. Overhead costs include contract services, professional fees, office expense, postage and delivery, dues and subscriptions, insurance, travel, bank fees, and depreciation.

Leases

EWB-USA leases an office facility under a short-term non-cancelable operating lease agreement. The lease expires in September 2026. EWB-USA has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

EWB-USA incurred $23,351 and $31,215 of short-term lease expense during the years ended December 31, 2025 and 2024, respectively.

Income Taxes

EWB-USA is organized as a nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. EWB-USA is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, EWB-USA is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. EWB-USA determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that EWB-USA has appropriate support for any tax positions taken affecting their annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. EWB-USA would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity U.S. GAAP requires EWB-USA 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.

Financial Instruments and Credit Risk

Credit risk associated with contributions receivable is limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from foundations supportive of EWB-USA's mission.

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At December 31, 2025 and 2024, EWB-USA had approximately $5,156,000 and $4,700,000, respectively, in excess of FDIC-insured limits.

Investments are made by diversified investment managers whose performance is monitored by the Organization and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

Reclassification

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 reporting format. The reclassifications had no impact on previously reported net assets.

Subsequent Events

EWB-USA has evaluated subsequent events through August 17, 2026, the date the financial statements were available to be issued.

Note 2 - Cash, Cash Equivalents, and Restricted Cash

A reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position to amounts shown in the statements of cash flows is as follows:

	2025	2024
Cash and cash equivalents	$ 5,794,411	$ 5,272,651
Cash restricted for endowment	6,401	2,335
Total cash, cash equivalents, and restricted cash	$ 5,800,812	$ 5,274,986

Amounts included in restricted cash represents those restricted by donors for a long-term purpose, such as for endowments. The restrictions will lapse when the long-term purposes are fulfilled.

Note 3 - Contributions and Grants Receivable

Included in contributions and grants receivable are the following at December 31, 2025 and 2024 with discount rates ranging from 4.06% to 5.25%:

	2025	2024
Contributions and grants receivable		
Operating	$ 274,424	$ 1,296,355
Endowment	50,000	100,000
	324,424	1,396,355
Less		
Allowance for uncollectible contributions	(190,024)	(374)
Discounts for the time-value of money	(10,808)	(10,808)
Contributions and grants receivable, net	$ 123,592	$ 1,385,173
Amounts due in		
Less than one year	$ 324,424	$ 1,196,355
One to five years	-	200,000
	$ 324,424	$ 1,396,355

Note 4 - Fair Value Measurement and Disclosures

FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (level 3 measurements). The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Certificates of Deposits – Valued at fair value using observable market inputs and pricing models.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by EWB-USA are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Exchange Traded Funds – Valued at the closing price reported by the fund. Exchange traded funds (ETF) held by EWB-USA are open-ended management investment companies that are registered with the Securities and Exchange Commission. The shares are traded throughout the day at the market price.

The following table presents the balances of investment securities measured at fair value on a recurring basis at December 31, 2025 and 2024:

	2025			
	Total	Level 1	Level 2	Level 3
Assets				
Operating investments				
Cash and money market funds (at cost)	$ 2,303,481	$ -	$ -	$ -
Fixed income bond ETF	1,471,549	1,471,549	-	-
Mutual funds	1,919,069	1,919,069	-	-
	$ 5,694,099	$ 3,390,618	$ -	$ -
Endowment investments				
Cash and money market funds (at cost)	$ 264,981	$ -	$ -	$ -
Equity ETF	437,783	437,783	-	-
	$ 702,764	$ 437,783	$ -	$ -

	2024			
	Total	Level 1	Level 2	Level 3
Assets				
Operating investments				
Costs and money market (at cost)	$ 875,762	$ -	$ -	$ -
Fixed income bond ETF	1,428,636	1,428,636	-	-
Certificates of deposit	575,226	-	575,226	-
Mutual funds	2,314,615	2,314,615	-	-
	$ 5,194,239	$ 3,743,251	$ 575,226	$ -
Endowment investments				
Cash and money market funds (at cost)	$ 194,028	$ -	$ -	$ -
Equity ETF	394,876	394,876	-	-
	$ 588,904	$ 394,876	$ -	$ -

Investment income consisted of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Interest and dividends	$ 353,822	$ 301,427
Realized and unrealized investments gains, net	130,067	10,639
	$ 483,889	$ 312,066

Note 5 - Property and Equipment

Property and equipment consists of the following at December 31, 2025 and 2024:

	2025	2024
Furniture and equipment	$ -	$ 65,209
Less accumulated depreciation	-	(31,782)
	$ -	$ 33,427

Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2025 and 2024:

	2025	2024
Subject to Expenditure for Specified Purpose		
Student and professional chapters	$ 4,696,206	$ 4,714,887
International projects	2,005,661	1,742,978
Domestic programs and projects	-	42,428
General operating	98,520	140,337
STEM outreach	228,254	51,702
	7,028,641	6,692,332
Subject to the Passage of Time		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	74,585	897,524
	74,585	897,524
Endowments		
Unspent appreciation of endowment funds	102,761	38,901
Original gift values held in perpetuity for Investment in perpetuity	606,404	652,338
Total endowments	709,165	691,239
	$ 7,812,391	$ 8,281,095

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Satisfaction of Purpose Restrictions		
Student and professional chapters	2,246,443	2,385,260
General operating	3,100,128	2,051,161
	$ 5,346,571	$ 4,436,421

Note 7 - Endowment

EWB-USA holds endowment funds for support of its programs and operations. As required by U.S. GAAP, net assets and the changes therein associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the whole dollar value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. At December 31, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gifts donated to the endowment, and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policies of the Organization.

As of December 31, 2025 and 2024, endowment net asset composition by type of fund is as follows:

	2025		
	Without Donor Restriction	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 709,165	$ 709,165

	2024		
	Without Donor Restriction	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 691,239	$ 691,239

Return Objectives and Risk Parameters

EWB-USA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while complying with all donor-imposed restrictions.

Endowment assets are invested in a combination of cash and money market funds and equity securities.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objective of preserving endowment funds, EWB-USA relies on a total return strategy in which investment returns are achieved primarily through both capital appreciation (realized and unrealized) and current yield (interest and dividends). EWB-USA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Appropriation Policy and How the Investment Objectives Relate to Appropriation Policy

EWB-USA preserves the whole dollar value of the original gift as of the gift date of donor-restricted endowments, absent explicit donor stipulations to the contrary. Interest, dividends and net appreciation of the donor-restricted endowment funds are deemed appropriated for expenditure when approved by the Board of Directors.

The spending policy on income earned on net assets with donor restricted funds was established and approved in July 2022. The distribution rate is set at 4% of a three-year average market value of endowment investments. Unspent dollars remain available for use in future years. This spending policy does not apply if the donor otherwise defines or restricts the spendable income of a specific fund. The Board elected to not appropriate based on the approved distribution rate in 2024 and 2025.

Changes in endowment net assets for the years ended December 31, 2025 and 2024 are as follows:

	2025		
	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 691,239	$ 691,239
Investment return, net	-	63,860	63,860
Contributions	-	4,066	4,066
Bad debt loss	-	(50,000)	(50,000)
Endowment net assets, end of year	$ -	$ 709,165	$ 709,165

	2024		
	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 645,260	$ 645,260
Investment return, net	-	27,173	27,173
Contributions	-	18,806	18,806
Endowment net assets, end of year	$ -	$ 691,239	$ 691,239

Note 8 - Contributed Non-Financial Assets

For the years ended December 31, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities included the following:

	2025	2024
International and domestic professional services	$ 1,348,375	$ 1,379,625

Contributed engineering services are provided by specially trained engineers who assist in carrying out the mission of EWB-USA. Contributed engineering services are used in program services and are recognized at fair value based on current rates for similar engineer services. All contributed nonfinancial assets received during the years ended December 31, 2025 and 2024 were without donor restrictions.

Note 9 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2025	2024
Financial assets at year end		
Cash and cash equivalents	$ 5,794,411	$ 5,272,651
Investments	5,694,099	5,194,239
Contributions and grants receivable, net of discount and allowance	123,592	1,285,173
Total financial assets	11,612,102	11,752,063
Less amounts not available to be used within one year		
Non-endowment contributions receivable not expected to be collected within one year	-	(150,000)
Net assets with donor restrictions	(4,541,436)	(4,367,603)
Total amounts not available to be used within one year	(4,541,436)	(4,517,603)
Financial assets available to meet general expenditures within one year	$ 7,070,666	$ 7,234,460

EWB-USA maintains a business checking account to meet its normal operating expenses based on its annual budget. As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds.

Note 10 - Employee Benefits

EWB-USA sponsors a 401(k) plan for its employees. All employees are eligible to participate. EWB-USA makes a discretionary contribution up to a percent of an employee's gross income. The program allows employees to contribute up to the maximum allowed according to IRS regulations. EWB-USA contributions to the plan were $108,226 and $81,108 for the years ended December 31, 2025 and 2024, respectively.

Note 11 - Concentrations

Donor Concentration

Two of the Organization's donors accounted for approximately 72% and 83% of contribution receivables for the years ended December 31, 2025 and 2024, respectively.

Note 12 - Engineering World Health

The Board of Directors voted to acquire Engineering World Health ("EWH"). The acquisition was effective September 1, 2024. No consideration was paid by EWB-USA to acquire EWH. With the cooperation of EWH, EWB-USA has taken over EWH's programs. EWB-USA prepares financial statements and the accompanying footnotes in conformity with U.S. GAAP. Accordingly, the transaction herein is described and recognized as an acquisition for financial reporting purposes only. The binding legal documents of the transaction describe the transaction as a merger. EWB-USA's management and Board of Directors believe the term merger best captures the substance and operational intent of the transaction. As a result of the acquisition, the fair value of the assets acquired exceeded liabilities which resulted in a contribution totaling $575,917.