Movement for Community-Led Development

Financial Statements
and Independent Auditor's Report

December 31, 2025 and 2024

Movement for Community-Led Development

Financial Statements
December 31, 2025 and 2024

Contents

ROGERS & COMPANY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Movement for Community-Led Development

Opinion

We have audited the accompanying financial statements of Movement for Community-Led Development (MCLD), which comprise the statements of financial position as of December 31, 2025 and 2024; 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 MCLD as of December 31, 2025 and 2024, 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. 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 MCLD 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.

Responsibilities of Management for the Financial Statements (continued)

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 MCLD's ability to continue as a going concern within 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 MCLD'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 MCLD's ability to continue as a going concern for a reasonable period of time.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Rogers + Company PLLC

McLean, Virginia
July 18, 2026

Movement for Community-Led Development

Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Cash	$ 93,157	$ 57,782
Investments	860,904	654,869
Contributions receivable, net	540,000	1,027,597
Accounts receivable	1,055	-
Prepaid expenses	-	26,800
Total assets	$ 1,495,116	$ 1,767,048
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 35,266	$ 20,784
Total liabilities	35,266	20,784
Net Assets		
Without donor restrictions	959,850	684,937
With donor restrictions	500,000	1,061,327
Total net assets	1,459,850	1,746,264
Total liabilities and net assets	$ 1,495,116	$ 1,767,048

See accompanying notes.

Movement for Community-Led Development

Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	$ 320,971	$ 305,899	$ 626,870
Membership dues	28,146	-	28,146
Event revenue	75,900	-	75,900
Investment return, net	26,639	-	26,639
Other revenue	179	-	179
Released from restrictions	867,226	(867,226)	-
Total revenue and support	1,319,061	(561,327)	757,734
Expenses			
Program services:			
Partners Global	33,893	-	33,893
Core Programs	658,954	-	658,954
Mutual Capacity Strengthening	90,379	-	90,379
LIFE	120,925	-	120,925
Influencing USAID	13,316	-	13,316
Total program services	917,467	-	917,467
Supporting services:			
Management and general	96,879	-	96,879
Fundraising	29,802	-	29,802
Total supporting services	126,681	-	126,681
Total expenses	1,044,148	-	1,044,148
Change in Net Assets	274,913	(561,327)	(286,414)
Net Assets, beginning of year	684,937	1,061,327	1,746,264
Net Assets, end of year	$ 959,850	$ 500,000	$ 1,459,850

See accompanying notes.

Movement for Community-Led Development

Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	$ 659,436	$ 1,607,940	$ 2,267,376
Membership dues	37,852	-	37,852
Event revenue	32,000	-	32,000
Investment return, net	7,949	-	7,949
Other revenue	595	-	595
Released from restrictions	696,613	(696,613)	-
Total revenue and support	1,434,445	911,327	2,345,772
Expenses			
Program services:			
Partners Global	395,619	-	395,619
Core Programs	374,495	-	374,495
Mutual Capacity Strengthening	132,955	-	132,955
LIFE	46,583	-	46,583
Influencing USAID	45,246	-	45,246
Total program services	994,898	-	994,898
Supporting services:			
Management and general	92,091	-	92,091
Fundraising	14,763	-	14,763
Total supporting services	106,854	-	106,854
Total expenses	1,101,752	-	1,101,752
Change in Net Assets	332,693	911,327	1,244,020
Net Assets, beginning of year	352,244	150,000	502,244
Net Assets, end of year	$ 684,937	$ 1,061,327	$ 1,746,264

Movement for Community-Led Development

Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services						Supporting Services			
	Partners Global	Core Programs	Mutual Capacity Strengthening	LIFE	Influencing USAID	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Payroll expenses	$ 9,451	$ 420,237	$ -	$ 4,460	$ 5,324	$ 439,472	$ 40,682	$ 17,307	$ 57,989	$ 497,461
Awards and grants to others	-	172,900	52,162	99,960	-	325,022	-	-	-	325,022
Contract and professional fees	20,801	34,663	31,196	16,505	-	103,165	9,750	12,320	22,070	125,235
Accounting fees	-	-	-	-	-	-	40,103	-	40,103	40,103
Travel	-	18,950	3,865	-	6,992	29,807	225	-	225	30,032
Office expenses	3,641	8,155	1,156	-	1,000	13,952	4,098	175	4,273	18,225
Meeting	-	4,049	2,000	-	-	6,049	31	-	31	6,080
Insurance	-	-	-	-	-	-	1,990	-	1,990	1,990
Total Expenses	$ 33,893	$ 658,954	$ 90,379	$ 120,925	$ 13,316	$ 917,467	$ 96,879	$ 29,802	$ 126,681	$ 1,044,148

Movement for Community-Led Development

Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services						Supporting Services			
	Partners Global	Core Programs	Mutual Capacity Strengthening	LIFE	Influencing USAID	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Payroll expenses	$ 73,638	$ 193,573	$ 28,322	$ 41,114	$ 19,813	$ 356,460	$ 65,634	$ 14,719	$ 80,353	$ 436,813
Awards and grants to others	234,759	111,135	28,775	-	4,121	378,790	-	-	-	378,790
Contract and professional fees	70,861	13,800	65,394	870	390	151,315	6,171	-	6,171	157,486
Accounting fees	307	-	-	201	-	508	9,891	-	9,891	10,399
Travel	11,394	48,853	6,196	3,977	16,644	87,064	2,416	-	2,416	89,480
Office expenses	4,060	3,106	2,998	421	84	10,669	3,930	-	3,930	14,599
Meeting	90	3,563	570	-	4,076	8,299	120	-	120	8,419
Insurance	510	-	-	-	118	628	2,240	-	2,240	2,868
Advertising and marketing	-	399	700	-	-	1,099	1,303	-	1,303	2,402
State registrations	-	-	-	-	-	-	386	-	386	386
Channel expenses	-	66	-	-	-	66	-	-	-	66
Purchases	-	-	-	-	-	-	-	44	44	44
Total Expenses	$ 395,619	$ 374,495	$ 132,955	$ 46,583	$ 45,246	$ 994,898	$ 92,091	$ 14,763	$ 106,854	$ 1,101,752

Movement for Community-Led Development

Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ (286,414)	$ 1,244,020
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized and realized gain on investments	(5,791)	(849)
Change in discount on contributions receivable	(9,804)	9,804
Change in operating assets and liabilities:		
Decrease (increase) in:		
Contributions receivable	497,401	(737,401)
Accounts receivable	(1,055)	-
Prepaid expenses	26,800	-
Increase in:		
Accounts payable and accrued expenses	14,482	18,431
Net cash provided by operating activities	235,619	534,005
Cash Flows from Investing Activities		
Purchases of investments	(1,320,595)	(654,687)
Sales of investments	1,120,351	667
Net cash used in investing activities	(200,244)	(654,020)
Net Increase (Decrease) in Cash	35,375	(120,015)
Cash, beginning of year	57,782	177,797
Cash, end of year	$ 93,157	$ 57,782

1. Nature of Operations

Movement for Community-Led Development (MCLD) is a Virginia nonprofit corporation recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). MCLD was incorporated in 2023 as the United States national association within the broader Movement for Community-led Development, a global network dedicated to advancing community-led approaches to sustainable development.

MCLD works to strengthen the capacity of communities and civil society organizations, promote locally led development practices, support collaborative learning and research, and advocate for policies that give communities a greater role in decisions affecting their lives.

During 2025, certain federally funded awards supporting MCLD's international development programs were terminated as part of changes in U.S. foreign assistance programs.

During 2025 and 2024, MCLD's principal program activities included the following:

Partners Global – Powered by the People: MCLD participated as a subrecipient in the USAID-funded Powered by the People initiative, for which Partners Global served as the prime recipient. The initiative supported nonviolent social movements and citizen-led efforts in various countries.

Core Programs: Core Programs include activities designed to strengthen the practice and adoption of community-led development, facilitate learning among MCLD members, and support collaboration across the MCLD network.

Mutual Capacity Strengthening: These activities support reciprocal learning and capacity strengthening among MCLD members, national associations, and other community-led development practitioners.

Locally Led Development In Fragile Environments (LIFE): LIFE was a USAID-funded research and learning initiative focused on understanding how locally led development functions in fragile environments, including Bangladesh and Ethiopia.

Influencing USAID: This foundation-funded initiative supported MCLD's policy and advocacy activities relating to USAID's locally led development goals and the participation of local communities and organizations in the design, implementation, and evaluation of development programs.

2. Summary of Significant Accounting Policies

<u>Basis of Accounting and Presentation</u>

MCLD's financial statements and footnotes are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP). Net assets are reported based on the presence or absence of donor-imposed restrictions 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-) 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. There were no net assets with donor restrictions to be held in perpetuity at December 31, 2025 and 2024.

<u>Investments</u>

Investments are reported at fair value, when fair value is readily determinable. Interest, dividends, realized and unrealized gains and losses, and investment management fees are reported as a component of net investment return in the accompanying statements of activities. Investment securities are exposed to various risks, including market, interest-rate, and credit risks. Because of the risks inherent in investment securities, changes in market conditions could result in significant fluctuations in the fair value of investments.

<u>Contributions Receivable</u>

Unconditional promises to give are recognized as contribution revenue in the period the promises are made. Contributions receivable expected to be collected within one year are reported at net realizable value. Contributions receivable expected to be collected after one year are reported at the present value of estimated future cash flows using a discount rate established when the promise is initially recognized. MCLD evaluates the collectibility of contributions receivable based on donor history, current economic conditions, the age of outstanding amounts, and other relevant factors. An allowance is recorded when management believes all or a portion of a receivable may not be collectible. No allowance was considered necessary at December 31, 2025 and 2024.

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Credit Losses

Accounts receivable are stated at the amount MCLD expects to collect. MCLD estimates expected credit losses based on historical collection experience, current conditions, the age of outstanding receivables, specific information about customers, and reasonable and supportable forecasts. Accounts determined to be uncollectible are written off when identified. No allowance for credit losses was considered necessary at December 31, 2025 and 2024.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Contributions are recognized when cash or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Contributions are reported as revenue with donor restrictions when subject to donor-imposed purpose or time restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions.

Conditional promises to give, that is, promises containing both a measurable performance or other barrier and a right of return of assets transferred or a right of release from the donor’s obligation, are not recognized as revenue until the conditions have been substantially met. Amounts received before the conditions are satisfied are reported as refundable advances.

Revenue Accounted for as Contracts with Customers

Membership dues and event revenue are accounted for under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers,* to the extent the amounts received represent consideration for goods or services provided to members or event participants.

Membership dues are recognized over the applicable membership period as the related member benefits are provided. Any portion of membership dues that exceeds the fair value of the benefits provided is accounted for as contribution revenue. Amounts received before the membership period begins are reported as deferred revenue.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for as Contracts with Customers (continued)

Event revenue is recognized when the related event occurs and MCLD has satisfied its performance obligations. Amounts received in advance of an event are reported as deferred revenue.

Accounts receivable arising from contracts with customers were $1,055 and $0 at December 31, 2025 and 2024, respectively. MCLD had no material contract liabilities at December 31, 2025 and 2024.

Functional Allocation of Expenses

Expenses are reported by both their natural classification and functional classification. Expenses that can be identified with a specific program or supporting service are charged directly to that function. Expenses that benefit more than one function are allocated using reasonable and consistently applied methods. Payroll and related costs are allocated based on estimates of time and effort. Other shared costs are allocated based on the nature of the expense and the relative benefit received by each function.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, MCLD has evaluated events and transactions for potential recognition or disclosure through July 18, 2026, the date the financial statements were available to be issued.

3. Liquidity and Availability

MCLD regularly monitors liquidity required to meet its operating needs and other contractual commitments. MCLD structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Financial assets that are available for general expenditures within one year of the statements of financial position date comprise the following at December 31:

	2025	2024
Cash	$ 93,157	$ 57,782
Investments	860,904	654,869
Contributions receivable, net	540,000	1,027,597
Accounts receivable	1,055	-
Total financial assets	1,495,116	1,740,248
Less: net assets with donor restrictions	(500,000)	(1,061,327)
Total available for general expenditures	$ 995,116	$ 678,921

4. Concentrations of Risks

Credit Risk

Financial instruments that potentially subject MCLD to significant concentrations of credit risk consist of cash and investments. MCLD maintains various cash deposit and transaction accounts, along with investments, with financial institutions, and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). MCLD has not experienced any credit losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

4. Concentrations of Risks (continued)

Revenue Risk

During 2025, four funding sources collectively accounted for approximately 79% of MCLD's total revenue and support. During 2024, one funding source accounted for approximately 64% of total revenue and support. A significant reduction in funding from these sources could affect MCLD's ability to continue certain program activities at their current levels.

Receivable Concentration

At December 31, 2025, approximately 93% of MCLD's contributions receivable was due from one donor. A change in the timing or collectability of this receivable would have a disproportionate effect on MCLD's near-term liquidity.

5. Contributions Receivable

Contributions receivable are due as follows at December 31:

	2025	2024
Due in less than one year	$ 540,000	$ 537,401
Due after one year and before five years	-	500,000
Total contributions receivable	540,000	1,037,401
Less: discount on multi-year contributions	-	(9,804)
Contributions receivable, net	$ 540,000	$ 1,027,597

Contributions receivable due after one year at December 31, 2024 were discounted using a rate of 2%. Management determined that no allowance for uncollectible contributions was necessary at December 31, 2025 and 2024.

6. Investments and Fair Value Measurements

MCLD follows FASB ASC 820, *Fair Value Measurement,* for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs.

In general, and where applicable, MCLD uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. MCLD's mutual fund is classified as Level 1 instruments as it is actively traded on a public exchange. U.S. Treasury securities are classified as Level 2 instruments as their pricing is based on observable inputs other than quoted market prices.

The following table presents MCLD's fair value hierarchy for those investments measured on a recurring basis at December 31, 2025:

	Level 1	Level 2	Level 3	Total
Investments at fair value:				
Money market mutual fund	$ 453,281	$ -	$ -	$ 453,281
U.S. Treasury securities	-	405,796	-	405,796
Total investments at fair value	$ 453,281	$ 405,796	$ -	$ 859,077
Cash held at cost				$ 1,827
Total investments				$ 860,904

6. Investments and Fair Value Measurements (continued)

The following table presents MCLD's fair value hierarchy for those investments measured on a recurring basis at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investments at fair value:				
Money market mutual fund	$ 251,904	$ -	$ -	$ 251,904
U.S. Treasury securities	-	150,204	-	150,204
Total investments at fair value	$ 251,904	$ 150,204	$ -	$ 402,108
Cash held at cost				$ 252,761
Total investments				$ 654,869

Net investment return consists of the following for the years ended December 31:

	2025	2024
Interest and dividends	$ 24,571	$ 7,767
Unrealized and realized gain	5,791	849
Less: investment management fees	(3,723)	(667)
Total investment return, net	$ 26,639	$ 7,949

7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

	2025	2024
Purpose restricted:		
LIFE	$ -	$ 71,131
Time restricted	500,000	990,196
Total net assets with donor restrictions	$ 500,000	$ 1,061,327

8. Commitments, Contingencies, and Federal Awards

MCLD receives a portion of its funding through federal awards, including awards passed through prime recipients funded by the United States Agency for International Development (USAID). Such awards are subject to audit and review by the applicable grantor agencies, and any costs determined to be unallowable may be required to be refunded. In the opinion of management, any resulting liability, if any, would not have a material effect on MCLD's financial position, changes in net assets, or cash flows.

In February 2025, MCLD received notices that certain federally funded awards supporting its Partners Global and Influencing USAID programs were terminated as part of changes in U.S. foreign assistance programs. As a result, MCLD recognized reduced federal and pass-through grant revenue during 2025 and modified certain program activities. Management continues to pursue alternative funding sources and evaluate the impact of these funding changes on future operations.

9. Related Party Transactions

The Hunger Project ("THP") is considered a related party due to its historical role in incubating MCLD and the organizations' affiliated leadership.

In 2024, THP made an unconditional contribution commitment of $1,500,000 to support MCLD's activities over the fiscal years 2024 through 2026. MCLD collected $500,000 during each of the years ended December 31, 2025 and 2024. Contributions receivable from THP totaled $500,000 and $1,000,000 at December 31, 2025 and 2024, respectively.

During 2025, MCLD also received $5,011 from THP related to the LIFE program. MCLD recognized $52,664 of awards and grants expense for activities performed by THP under the LIFE program and received a $5,000 refund related to a prior program payment, resulting in net awards and grants expense of $47,664. No amounts were payable to THP at December 31, 2025.

During 2024, MCLD reimbursed THP $2,791 for travel and other program-related expenditures. No amounts were payable to THP at December 31, 2024.

MCLD also receives contributions from members of its Board of Directors in the ordinary course of its fundraising activities.

10. Functional Expenses

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 majority of MCLD's expenses are allocated utilizing the direct cost allocation method. Certain expenses, such as payroll, are allocated based on estimates of time and effort spent on specific program or supporting functions.

11. Retirement Plan

MCLD participates in a defined contribution retirement plan qualified under IRC Section 401(k) through its co-employment arrangement with ADP TotalSource, a professional employer organization. Eligible employees may participate beginning in the month following their date of hire. MCLD does not make employer contributions to the plan. Accordingly, MCLD incurred no employer retirement plan expense during 2025 or 2024.

12. Income Taxes

MCLD is recognized as exempt from federal income tax under IRC Section 501(c)(3) and is classified as an organization other than a private foundation. MCLD is subject to federal and state income taxes on any unrelated business income. MCLD had no material unrelated business income during 2025 or 2024.

Management evaluated MCLD's tax positions and concluded that MCLD had no uncertain tax positions requiring recognition or disclosure at December 31, 2025 and 2024.