



U.S. TRADE AND DEVELOPMENT AGENCY

PERFORMANCE AND ACCOUNTABILITY REPORT
Fiscal Year 2025

U.S. TRADE AND DEVELOPMENT AGENCY
FY 2025 Performance and Accountability Report
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Message from the Deputy Director

On behalf of the U.S. Trade and Development Agency, I am proud to present our Performance and Accountability Report for Fiscal Year 2025 (FY 2025). This report provides the results of the Agency's robust program performance and sound fiscal management.

Since its founding, USTDA has set the standard for delivering measurable U.S. foreign policy results. As the U.S. government's first mover on critical infrastructure development in emerging markets, USTDA advances the shared strategic priorities of the United States and our overseas partners while creating opportunities to deploy trusted U.S. solutions.

In FY 2025, USTDA achieved near-record results, generating an average of \$226 in U.S. exports for every appropriated dollar that it programs. Since 1992, USTDA has supported more than \$127 billion in U.S. exports, including from small businesses in approximately 380 communities. These results demonstrate the Agency's unique value proposition for American workers.

USTDA employs a rigorous monitoring and evaluation process to establish project outcomes and inform future program decisions. The Agency measures project-specific data on an ongoing basis, allowing an accurate and consistent understanding of the effectiveness of USTDA's full range of programming.

The expertise, innovation, and agility of American small businesses remain critical to our success. In FY 2025, approximately 38% of the total value of Federal Acquisition Regulation (FAR) prime contracts awarded by USTDA went to U.S. small businesses. USTDA has leveraged these partners' skills into significant U.S. foreign policy and commercial successes.

USTDA will continue to employ a data and results-driven approach to our programming and exercise careful stewardship of taxpayer funds through strong, transparent, and sound fiscal management. USTDA's committed staff of experts will remain vital to generating exceptional results for our overseas partners, U.S. businesses, and U.S. foreign policy for decades to come.

A handwritten signature in blue ink, reading "Th R. Hardy", is positioned above the printed name.

Thomas R. Hardy
Deputy Director and Chief Operating Officer
(performing the duties of the Director)

SECTION 1: MANAGEMENT’S DISCUSSION AND ANALYSIS

USTDA at a Glance

USTDA is an independent U.S. government agency established under the Jobs Through Exports Act of 1992, Section 661 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. § 2421)¹. USTDA is the U.S. government’s first mover on critical infrastructure development in emerging markets, advancing the shared strategic priorities of the United States and our overseas partners while creating opportunities to deploy trusted U.S. solutions.

USTDA funds the upfront technical work that accelerates the development of infrastructure projects, including feasibility studies, technical assistance and pilot projects. These are the critical tools for defining a project’s design options and attracting the financing it needs for implementation and procurement of U.S. goods and services. USTDA also hosts activities that promote infrastructure partnerships with the United States.

In carrying out its mission, the Agency places particular emphasis on strategic priorities in sectors including critical minerals, digital infrastructure, energy and transportation.

USTDA funds infrastructure development activities based on key evaluation factors including a project’s ability to advance U.S. national interests, support host countries priorities, attract financing, and generate significant U.S. exports. USTDA undertakes a rigorous due diligence process to ensure it is working with highly reputable and qualified partners at home and abroad.

The Agency works with U.S. industry to help ensure that its programming leads to the export of trusted U.S. solutions to the critical infrastructure projects that it develops overseas.

Organizational Structure

The Agency’s Executive Team consists of the Director, Deputy Director and Chief Operating Officer, Chief of Staff and White House Liaison, General Counsel, Director of Policy and Program Management, and Director of Management Operations.

USTDA’s program offices are organized geographically into the following regions: Indo-Pacific; sub-Saharan Africa; Latin America and the Caribbean; Middle East, North Africa, Europe, and Eurasia; and Global Programs. To develop actionable recommendations for effective programming, USTDA also has an Office of Program Monitoring and Evaluation (M&E office). The Agency’s size and structure enable the M&E office to review funding for activities before obligation, which facilitates evidence-informed decisions across all funding commitments.

¹ The Trade and Development Program, USTDA’s predecessor organization, was established by 1981 within the U.S. Agency for International Development. In 1992, USTDA was established as an independent federal agency.

Programmatic, operational, and administrative support is provided by the Offices of General Counsel, Public Affairs, Congressional Affairs, Finance, Acquisition Management, Information Technology, and Administration. Additionally, USTDA uses shared service providers for support functions, which allows USTDA to maximize resources spent in support of its statutory mission.

Performance Goals, Objectives, and Results

Consistent with the Government Performance and Results Act of 1993 (GPRA) and the GPRA Modernization Act of 2010, USTDA developed a strategic plan for fiscal years 2022 – 2026, which was amended in FY 2023 and amended again in FY 2025. The Agency’s strategic plan as amended contains the following performance targets:

- Support U.S. exports for priority development projects in emerging economies by generating an average of \$136 in U.S. exports for every dollar appropriated to, and programmed by, the Agency.
- Foster opportunities for U.S. small businesses by exceeding the applicable U.S. Small Business Administration (SBA) benchmark for percentage of applicable contracts under the Federal Acquisition Regulations (FAR) awarded to U.S. small businesses.

As described in greater detail below, USTDA exceeded its performance targets for its export multiplier and small business contracting goals in FY 2025.

For more than a decade, USTDA has carried out a structured annual strategic planning process to examine the effectiveness and responsiveness of its programming to meet the priorities of U.S. industry, emerging economies, and U.S. foreign policy. USTDA reviews its U.S. export and developmental outcomes by both country and sector and, using this information, adjusts to the evolving needs of U.S. industry and our overseas partners. As a result of this strategic planning process, in FY 2025 the Agency targeted five priority sectors in 23 priority countries around the world.

This strategy continues to generate significant results, which USTDA quantitatively measures using an “export multiplier.” This ratio, which stands at 226 to 1, represents the average value of U.S. exports that the Agency supports for every Congressionally appropriated dollar that it programs. USTDA calculates its export multiplier based on a ten-year rolling average, with the current multiplier based on USTDA activities that were completed from January 1, 2013, through December 31, 2022. This multiplier is close to its record-breaking level in FY 2024 and far exceeds the Agency’s performance target of 136.

In the past year alone, the Agency also identified more than \$7.2 billion in new U.S. exports attributed to USTDA-supported projects. As a result, USTDA has now facilitated the export of over \$127 billion in U.S. exports since the inception of its program in 1992. These results are distinct from the developmental benefits that USTDA-funded activities have brought to the world’s emerging economies.



In FY 2025, USTDA remained closely aligned with the evolving needs of the U.S. business community and the Administration’s foreign policy priorities.

Strategic Investments

<u>FY 2025 Strategic Investments</u> <i>Core Program Obligations</i>	
Total Obligations:	\$37.6 M
Priority Countries:	\$19.6 M (52%)
Priority Sectors:	\$31.9 M (85%)
Energy:	\$7.9 M (21%)
ICT:	\$11.4 M (30%)
Transportation:	\$8.9 M (24%)
Healthcare Infrastructure:	\$2.3 M (6%)
Critical Minerals:	\$1.4 (4%)

One of USTDA’s core strengths is its ability to use evidence to inform its funding decisions. Due to results from years past, the Agency targeted 23 priority countries, along with five priority sectors, in FY 2025. The results of pursuing a focused strategy have built a model for success and matched the highest rate of return on USTDA’s programming in the Agency’s history.

The Agency’s export multiplier was a near-record high at 226 to 1 for FY 2025, which means that every dollar appropriated to, and programmed by, USTDA supports on average \$226 in U.S. exports. USTDA also identified approximately \$7.2 billion in new exports in FY 2025 and in total has facilitated more than \$127 billion in U.S. exports since the Agency was established in 1992.

By focusing its resources, USTDA has strengthened ties with stakeholders including U.S. companies, overseas project sponsors, and host country governments. USTDA is also committed to creating opportunities for U.S. small businesses and relies on small businesses for technical expertise. In FY 2025, approximately 38% of the total value of all prime contracts awarded by USTDA went to U.S. small businesses, well above the SBA target of 23%.

SECTION 2: PERFORMANCE

Performance Objectives and Results

USTDA is the U.S. government's first mover on critical infrastructure development in emerging markets, advancing the shared strategic priorities of the United States and our overseas partners while creating opportunities to deploy trusted U.S. solutions.

USTDA funds the upfront technical work that accelerates the development of infrastructure projects, including feasibility studies, technical assistance and pilot projects. These are the critical tools for defining a project's design options and attracting the financing it needs for implementation and procurement of U.S. goods and services. USTDA also hosts activities that promote infrastructure partnerships with the United States.

USTDA divides its work into four geographic regions: Latin America and the Caribbean; sub-Saharan Africa; Middle East, North Africa, Europe and Eurasia; and the Indo-Pacific.

USTDA's Monitoring Process and Evaluation Measurements and Targets

USTDA maintains a robust monitoring and evaluation (M&E) framework that is integrated into all individual activity, management, and policy decisions. Moreover, the M&E office works with the Agency's leadership and regional program teams to use monitoring and evaluation evidence and findings to inform planning, strategy, and budget formulation, program priority setting, portfolio balancing, and service delivery. Additionally, the M&E office supports successful outcomes by facilitating continuous learning for Agency staff.

Monitoring is a key pillar in the stewardship of federally funded programs. At USTDA, monitoring ensures the efficacy of program delivery, compliance with federal requirements, and continual collection of data to strengthen both monitoring and in-depth evaluation efforts, while simultaneously helping to increase the commercial impact of USTDA's programs. USTDA employs a rigorous, systematic process to ensure compliance through standardized tools such as multi-phase reviews of all final work products for all grant activities. USTDA also undertakes programmatic and/or financial audits of selected activities. In cases where non-compliance is identified, the Agency works to bring those activities into compliance or takes appropriate action when funding recipients cannot meet compliance requirements.

The M&E office participates in each stage of USTDA's project life-cycle by providing evidence and feedback regarding past results, anticipated outcomes, and proposed monitoring and evaluation strategies when projects are being designed; supporting monitoring as activities are implemented; conducting internal evaluation and analyses of prior projects to inform USTDA's evaluation strategies and policies; and overseeing the work of outside evaluation contractors that gather evidence and document the outcomes of USTDA's programs.

Along with monitoring practices, the M&E office systematically collects and analyzes evaluation results and other evidence to improve strategic planning, project design, and resource decisions, and to continue growing the Agency's body of program evaluation evidence to inform program

design and decision-making. USTDA has extensive experience measuring the effectiveness of its programming in achieving its U.S. export promotion and development goals.

The measurements used by the Agency to determine whether its commercial objectives are being achieved include:

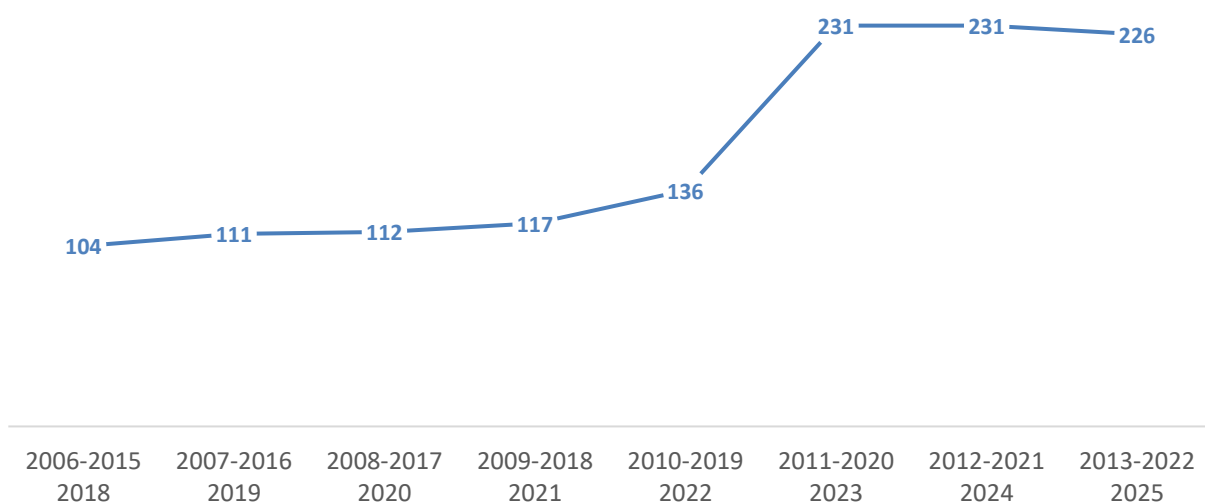
- **Total Cumulative Exports:** the amount of exports associated with USTDA-funded activities in any given time period.
- **Export Multiplier:** USTDA’s export return on investment, as the average amount of exports supported for every dollar appropriated to, and programmed by, USTDA. At the close of FY 2025, USTDA had supported, on average, \$226 in U.S. exports for every \$1 in program funding. The multiplier is calculated using the Ten-Year Rolling Average (TYRA). For FY 2025, the TYRA comprises projects completed from January 1, 2013, through December 31, 2022. The TYRA is explained in greater detail in the *Procedures to Ensure Performance Measurement Reporting* section, below.

Total Cumulative Exports

This figure is generated by calculating the sum of total exports documented in the USTDA database. Since 1992, USTDA’s programs have helped generate \$127 billion in U.S. exports. In FY 2025, USTDA identified an additional \$7.2 billion of U.S. exports attributed to USTDA-supported projects.

Export Multiplier:	$\frac{\$73.3 \text{ billion}}{\$324 \text{ million}}$	=	\$226
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USTDA MULTIPLIER 2018-2025



Export Multiplier Calculation

The export multiplier quantifies the average amount of exports supported for every dollar appropriated to, and programmed by, USTDA. It is calculated by dividing the dollar value of U.S. exports USTDA identifies by the dollar value of USTDA's program funding commitments from core funding. For the current TYRA period, which contains projects completed from January 1, 2013, through December 31, 2022, USTDA has obligated approximately \$324 million of program funding, which has facilitated over \$73.3 billion in U.S. exports. Thus, for every dollar appropriated for USTDA's programs, \$226 in U.S. exports are supported, on average.

Other Measurements

Small Business Impact

The SBA set a benchmark for Federal agencies to meet the statutory goal of awarding not less than 23% of federal prime contracting dollars to small businesses² USTDA surpassed that mark – in FY 2025, approximately 38% of the total value of all prime contracts awarded by USTDA went to small businesses. USTDA remains committed to exceeding the SBA benchmark and will do so by maintaining its ambitious outreach efforts to U.S. small businesses.

Procedures to Ensure Performance Measurement Reporting

USTDA's M&E office strives to obtain evidence that validates to what extent and how USTDA's funding contributed to the outcomes identified. The M&E office uses established program evaluation methods, in line with industry best practices, to measure outputs, outcomes and impacts against original project goals. These methods are grounded in broader evaluation practice to objectively, systematically, and consistently assess USTDA's programming outcomes.

The evidence collected by the M&E office supports organizational learning within USTDA and assists the Agency in documenting the relationship between its activities and project outcomes. Performance and results data are shared consistently with internal and external audiences to provide transparency on the Agency's impact and support continual performance improvement. Evidence gathered by the M&E office forms the basis of annual strategic planning efforts and is used throughout the year to inform program funding and program management decisions. The following parameters are used when compiling and generating export measures:

U.S. Exports and U.S. Content

U.S. exports attributed to USTDA's funding must have a credible and significant linkage to the USTDA-funded activity. USTDA defines U.S. exports as (i) the U.S. content associated with goods manufactured in the United States or (ii) the services provided by individuals based out of

² U.S. Small Business Administration, Strategic Plan Fiscal Years 2018–2022
https://www.sba.gov/sites/default/files/2018-06/SBA_FY_2018-2022_Strategic_Plan.pdf (page 7).

U.S. offices.³ This definition enables USTDA to make the best estimation of its support of jobs based on the U.S. exports attributed to its funding. This data supports the direct benefit that USTDA-funded activities bring to U.S. companies and their employees.

Ten-Year Rolling Average

The TYRA is a ten-year interval of time used to report the outcomes resulting from USTDA's program. The TYRA currently consists of all USTDA activities completed in the ten-year period from January 1, 2013, through December 31, 2022. Because USTDA finances early-stage project preparation activities, it typically takes years for the Agency's activities to produce U.S. exports. As such, this ten-year interval of time is used to capture a meaningful and relevant representation of the results of USTDA's program funds. The last year of the TYRA (2022) is recent enough to influence Agency planning and long enough to ensure that completed USTDA-funded activities have been evaluated at least once by USTDA's external evaluation contractors.

Type of Funding

USTDA funds activities by using its core funds (those funds that Congress appropriates directly to USTDA) and, in some instances, transfer funds provided by other government agencies such as the U.S. Agency for International Development (USAID) and the U.S. Department of State (DOS). Transfer funds often carry restrictions with respect to the use of the funding (e.g., country limitations, industry or country/regional or sector priorities, or are earmarked for specific activities). In addition, transfer funds may include requests for USTDA to support activities in jurisdictions or sectors that would not normally be Agency priorities. Accordingly, the evaluation process considers the type of funding used to support each activity in order to appropriately reflect the specific goals, objectives, and restrictions of each activity. Transfer-funded activities are routinely evaluated; however, due to the differing goals, requests, objectives, and restrictions associated with transfer-funded activities, they are treated separately from core-funded activities and are omitted from the export multiplier calculation.

External Evaluation and Validation

USTDA oversees external contractors – outside evaluation teams (OETs) – who support the evaluation of approximately 350 USTDA activities annually. OETs provide an assessment of project outcomes, in terms of both exports and developmental outcomes. OETs provide these assessments in individual project reports that present details about such matters as:

- the specific U.S. companies that exported to the project;
- the specific U.S. goods and services supplied to the project;
- how the USTDA-funded work contributed to implementation of the project;
- the source(s) of financing that was used for the project; and
- if the project did not move forward, an assessment of why it did not.

³ USTDA obtains U.S. content data most commonly from U.S. contractors, suppliers, host country project sponsors, financiers and U.S. agencies involved in implementing projects.

Each report contains information about the entities that were contacted during the evaluation. In addition to these reports on individual projects, the OETs provide a comprehensive final report that aggregates the findings associated with their respective cohorts and provides findings on any specific themes or evaluation questions identified by USTDA. Programs and projects are evaluated approximately annually over multiple years until no longer evaluable. USTDA's M&E office may handle any outstanding questions when OETs are unable to collect evidence of outcomes.

Analysis of Financial Statements

USTDA prepares annual financial statements in accordance with U.S. generally accepted accounting principles (GAAP) for Federal government entities and subjects the statements to an independent audit. The financial statements and notes are presented on a comparative basis in the format required by U.S. GAAP and OMB Circular A-136, *Financial Reporting Requirements*.

The following table summarizes the significant changes in USTDA's financial position, net costs of operations, and budgetary resources as of and for the year ending September 30, 2025:

Financial Indicator	FY 2025	FY 2024	\$ Change	% Change
Total Assets	\$273,223,871	\$248,915,184	\$24,308,687	9.8%
Total Liabilities	\$53,290,172	\$38,085,722	\$15,204,450	39.9%
Net Position	\$219,933,699	\$210,829,462	\$9,104,237	4.3%
Net Cost of Operations	\$69,064,431	\$88,061,376	(\$18,996,945)	-21.6%
Budgetary Resources	\$185,469,678	\$201,271,327	(\$15,801,649)	-7.9%

Below is a brief description of the nature of each required financial statement and its relevance. Certain significant balances or conditions are explained, to elaborate on the impact on USTDA's operations. Readers are encouraged to gain a deeper understanding by reviewing USTDA's financial statements and related notes presented in the Financial Section of this report.

Balance Sheet

The accompanying balance sheet as of September 30, 2025, reports a net position of \$219.9 million. USTDA's total assets are \$273.2 million, primarily comprised of a Fund Balance with Treasury (FBwT) of \$271.5 million. Total assets increased by \$24.3 million from September 30, 2024, to September 30, 2025. The increase was primarily due to an increase in FBwT of \$25.0 million mitigated by a reduction in net Accounts Receivables.

Total liabilities reported are \$53.3 million and are comprised of \$15.9 million of accounts payable, of which approximately \$15.2 million relates to grant payments owed, but unpaid, as of September 30, 2025. Total liabilities increased by \$15.2 million during FY 2025. The increase was primarily due to a \$15.9 million increase in deferred revenue from inter-agency transfer agreements.

Statement of Net Cost

USTDA's net cost of operations for the year ended September 30, 2025, amounted to \$69.0 million. Net cost of operations decreased by \$19.0 million in FY 2025, due to a \$23.2 million decrease in gross cost and a \$4.2 million decrease in earned revenues from FY24.

Statement of Budgetary Resources

The budgetary resources for FY 2025 decreased by \$15.8 million from FY 2024, due primarily to a decrease in spending authority from inter-agency transfer agreements.

Analysis of USTDA's Systems, Control and Compliance with Statutes and Directives Data and Financial System Assessment

USTDA develops and promulgates accounting policies and procedures for use by its staff to maximize accountability; promote standardization and cost effectiveness; monitor Agency compliance with these policies and procedures; implement corrective actions to address control deficiencies raised by independent auditors; monitor the activities of the Agency's programs; and perform analysis of required changes in procedures that affect the financial reporting of the Agency.

In addition, the Agency conducts program audits throughout the year and provides oversight of decentralized accounts payable processing and payroll activities. The Agency also performs internal control reviews on financial, management, and information systems, and conducts fact-finding activities to support decisions impacting revisions to the Agency's accounting and financial reporting systems.

The Interior Business Center (IBC) of the U.S. Department of the Interior provides payroll, personnel, and accounting systems and services to the Agency pursuant to service level agreements. The Agency's financial management system strategy is to continue to use a shared service provider. The operating effectiveness of the IBC's Oracle Federal Financials (OFF) and IBC's Federal Personnel and Payroll System (FPPS), General Information Technology and Accounting Operations Controls were examined under Statements on Standards for Attestation Engagements (SSAE) No. 18, *Attestation Standards: Clarification and Recodification*, issued by the American Institute of Certified Public Accountants (AICPA). IBC's independent auditor issued unmodified opinions on the SSAE 18 reports for OFF and FPPS for the period July 1, 2023, through June 30, 2024. Accordingly, IBC was able to provide USTDA with assurance that IBC controls were in place as of June 30, 2024, as they relate to key controls relied upon by USTDA and are operating effectively. The results of this report, in conjunction with user controls USTDA has put in place, provide reasonable assurance that USTDA's financial management systems complied substantially with Federal financial management system requirements, applicable Federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level.

Analysis of Entity's Systems, Controls and Legal Compliance Federal Managers' Financial Integrity Act (FMFIA)

The Federal Managers' Financial Integrity Act of 1982 (FMFIA) is implemented by OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. The objectives of the FMFIA are to ensure that USTDA's controls and systems provide reasonable assurance that:

- obligations and costs are in compliance with applicable laws;
- funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation;

- revenues and expenditures are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over assets; and
- programs are efficiently and effectively carried out in accordance with applicable laws and management policy.

USTDA management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the FMFIA. Accordingly, USTDA conducts risk assessments and internal control reviews to ensure the objectives mentioned above are achieved.

Section 2 of the FMFIA requires Federal agencies to report on the basis of annual assessments any material weaknesses that have been identified in connection with their internal and administrative controls. The reviews that took place during FY 2024 provide reasonable assurance that USTDA's systems and management controls comply with the requirements of the FMFIA.

Section 4 of the FMFIA requires that agencies annually provide assurance on programmatic internal controls and financial management systems, and effectiveness of internal control over financial reporting. USTDA evaluated its financial management systems in accordance with the FMFIA. The results of management reviews provide reasonable assurance under Section 4 of the FMFIA that USTDA's financial systems controls generally conform to the principles and standards required.

Finally, in accordance with the Accountability of Tax Dollars Act of 2002 (ATDA), the Agency's financial information is audited annually. The results of the audit are considered by USTDA in its assessment of whether the objectives of the FMFIA are being met.

**FY 2025 Annual Assurance Statement
on Internal Control**

USTDA's management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). USTDA conducted its assessment of the effectiveness of internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, July 15, 2016 ("OMB Circular A-123").

Based on the results of this evaluation, USTDA can provide reasonable assurance that its internal control over operations, reporting, and compliance with applicable laws and regulations were operating effectively as of September 30, 2025, and no material weaknesses were found in the design or operation of the internal controls.

In addition, USTDA conducted its assessment of the effectiveness of internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of OMB Circular A-123. Based on the results of this evaluation, USTDA can provide reasonable assurance that its internal control over financial reporting as of September 30, 2025, was operating effectively and no material weaknesses were found in the design or operation of the internal control over financial reporting.

A handwritten signature in blue ink, reading "Thomas R. Hardy". The signature is stylized, with the first name "Thomas" and last name "Hardy" clearly legible, and the middle initial "R." in between.

Thomas R. Hardy
Deputy Director and Chief Operating Officer
(performing the duties of the Director)

Accountability of Tax Dollars Act

The Accountability of Tax Dollars Act of 2002 (ATDA) requires the preparation of financial statements by the Federal agencies that were exempted by the Chief Financial Officers Act of 1990. OMB Circular A-136, *Financial Reporting Requirements*, enables agencies to consolidate their audited financial statements and other financial and performance reports into one report, the PAR. This report meets the requirements of the ATDA.

Government Performance and Results Act (GPRA) and GPRA Modernization Act

The Government Performance and Results Act of 1993 (GPRA) as amended, including as amended by the GPRA Modernization Act of 2010, requires the Agency to make available, on the Agency's public website, a 5-Year Strategic Plan, an Annual Performance Plan, and an Annual Performance Report. USTDA's Strategic Plan for FY 2022 – 2026, as amended, includes the Annual Performance Plans, and the annual performance report is included as the Performance section in this Performance and Accountability Report. USTDA also publishes an Annual Report. These documents are available on the Agency's website, ustda.gov.

Federal Information Security Modernization Act

The Federal Information Security Modernization Act of 2014 (FISMA) requires each federal agency to establish and maintain an information security program for all non-national security information and information systems. The Agency's information security program includes a process for planning, implementing, evaluating, and documenting existing information security policies, procedures, and practices, as well as remedial action to address deficiencies in such policies, procedures, and practices.

During FY 2025, USTDA maintained its information security program by (1) providing annual information security and insider threat awareness training to its user community, including contractors; (2) providing personally identifiable information and controlled unclassified information training for its user community, including contractors; (3) incorporating the testing of management, operational, and technical information security controls for our General Support System (GSS); (4) maintaining the process for planning, implementing, evaluating, and documenting remedial action to address any deficiencies in the GSS security boundary, information security policies, procedures, and practices; (5) developing and updating our IT policies; and (6) maintaining procedures for protecting, detecting, reporting, and responding to security incidents. USTDA is collaborating with the Cybersecurity and Infrastructure Security Agency (CISA) in the Continuous Diagnostics & Mitigation (CDM) shared services in accordance with Executive Order 14028 and has acquired Splunk Enterprise, a cloud-based Security Information Event Management (SIEM) tool. USTDA procured Xacta 360 as the Governance, Risk and Compliance (GRC) tool in support of M-24-15 Modernizing the Federal Risk and Authorization Management Program (FedRAMP). These additional enhancements will allow USTDA to identify network and server issues early and assist in optimizing the overall IT environment by strengthening its security posture. USTDA has also adopted lookout mobile threat detection for mobile devices under the CDM shared services and is working to implement identity and access management (IDAM) capability that helps manage the access

and privileges of agency network users. Further, USTDA is using a Department of Homeland Security (DHS) and General Services Administration (GSA) approved Trusted Internet Connection (TIC) for our facility Internet connection. These efforts are accomplished consistent with standards and guidelines issued by the National Institute of Standards and Technology (NIST), including utilizing the NIST Framework for cybersecurity categories of identify, detect, protect, respond, and recover.

USTDA utilizes Federal Risk and Authorization Management Program (FedRAMP) authorized cloud-based solutions for email, personal network drives, and SharePoint online. USTDA also has our website, ustda.gov, hosted by cloud.gov (a GSA cloud service provider), which is also FedRAMP authorized. By using FedRAMP authorized providers, we benefit from a government-wide standardized approach for information security and FISMA compliance.

Improper Payments Elimination and Recovery Act

The Improper Payments Information Act of 2002 (IPIA) requires Federal agencies to identify and report on significant payment programs that are susceptible to improper payments. The Improper Payments Elimination and Recovery Act of 2010 (IPERA) requires the development of policies and procedures for the prevention and detection of improper payments in the Federal government. IPERA expands on IPIA by, among other things, requiring an initial assessment to identify those programs that are susceptible to significant risk of improper payments. The Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) requires OMB on an annual basis to identify high-priority programs, establish performance targets and accelerates the “Do Not Pay” program. The IPERIA was amended in 2015, by the Federal Improper Payment Coordination Act (P.L. 114-109) which expanded access to federal agency data that could be used to verify payment eligibility of recipients and payment amounts. And in 2016, Congress passed the Fraud Reduction and Data Analytics Act (P.L. 114-186) which requires agencies to implement financial and administrative controls related to fraud, including improper payments.

USTDA reviewed its operations, identifying three categories of activities which it undertakes:

- (1) Project Development Program;
- (2) International Business Partnership Program; and
- (3) Agency Support Contracts (exclusive of payments to Federal agencies).

To prevent and detect improper payments, the Agency utilizes various “Do Not Pay” (DNP) systems and services from the Treasury Department, including “Continuous Monitoring” and “Online Search” to validate TDA supplier data.

Limitations of the Financial Statements

These financial statements have been prepared to report the financial position and results of operations of USTDA pursuant to the requirements of 31 U.S.C. § 3515(b). While the financial statements have been prepared from the books and records of the Agency in accordance with generally accepted accounting principles for Federal entities and the formats prescribed by the Office of Management and Budget (OMB), the statements are in addition to the financial reports used by USTDA management to monitor and control budgetary resources that are prepared from the same books and records.

These statements should be read with the realization that they are for a component of the government, a sovereign entity.



KPMG LLP
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1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

The Director, Head of Agency
U.S. Trade and Development Agency:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of U.S. Trade and Development Agency (USTDA), which comprise the balance sheet as of September 30, 2025, and the related statement of net cost, changes in net position, and statement of budgetary resources for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the USTDA as of September 30, 2025, and its net cost, changes in net position, and budgetary resources for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 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 the USTDA 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 – Interactive Data

Management has elected to reference to information on websites or other forms of interactive data outside the *Performance and Accountability Report* to provide additional information for the users of its financial statements. Such information is not a required part of the financial statements or supplementary information required by the Federal Accounting Standards Advisory Board. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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.

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, *Government Auditing Standards*, and OMB Bulletin No. 24-02 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, *Government Auditing Standards*, and OMB Bulletin No. 24-02, 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 USTDA'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 USTDA'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis and Required Supplementary Information sections be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the *Performance and Accountability Report*. The other information comprises the Message from the Director, Performance section, and Annual Assurance Statement on Internal Control, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Other Reporting Required by Government Auditing Standards

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2025, we considered the USTDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the USTDA's internal control. Accordingly, we do not express an opinion on the effectiveness of the USTDA's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the USTDA's financial statements as of and for the year ended September 30, 2025 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the USTDA's internal control or compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering USTDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, DC
December 18, 2025

United States Trade and Development Agency
Balance Sheet
As of September 30, 2025
(In Dollars)

	2025
Assets	
Intra-governmental Assets	
Fund Balance With Treasury (Note 2)	\$ 271,512,909
Accounts receivable, net (Note 3)	132,572
Advances and prepayments	5,957
Total Intra-governmental Assets	271,651,438
Other than Intra-governmental Assets	
Accounts receivable, Net (Note 3)	5,717
Property, plant, and equipment, net (Note 4)	1,566,716
Total Other than Intra-governmental Assets	1,572,433
Total assets	\$ 273,223,871
Liabilities	
Intra-governmental Liabilities (Note 5)	
Accounts payable	\$ 700,192
Advances from others and deferred revenue	36,399,185
Other Liabilities	
Other Liabilities (without reciprocals)	
Employer Contributions and Payroll Taxes Payable	15,866
Other Current Liabilities - Benefit Contributions Payable	
Employer Contributions and Payroll Taxes Payable	50,521
Total Intra-governmental Liabilities	\$ 37,165,764
Other than Intra-governmental Liabilities (Note 5)	
Accounts payable	\$ 15,214,666
Federal employee salary, leave, and benefits payable	
Accrued Funded Payroll and Leave	216,504
Employer Contributions and Payroll Taxes Payable	10,446
Unfunded Leave	682,792
Total Other than Intra-governmental Liabilities	16,124,408
Total liabilities	\$ 53,290,172
Net position	
Total Unexpended Appropriation (Consolidated)	\$ 218,977,886
Unexpended appropriations - Funds from other than Dedicated Collections	218,977,886
Total Cumulative Results of Operations (Consolidated)	955,813
Cumulative results of operations - Funds from other than Dedicated Collections	955,813
Total net position	\$ 219,933,699
Total liabilities and net position	\$ 273,223,871

The accompanying notes are an integral part of these statements.

United States Trade and Development Agency
Statement of Net Cost
For the Fiscal Year Ended September 30, 2025
(In Dollars)

	<u>2025</u>
Gross costs	\$ 70,627,435
Less: earned revenue	<u>1,563,004</u>
Net cost of operations (Note 10)	<u>\$ 69,064,431</u>

The accompanying notes are an integral part of these statements.

United States Trade and Development Agency
Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2025
(In Dollars)

	2025
Unexpended Appropriations:	
Beginning balance	\$ 208,249,183
Beginning balance, as adjusted	208,249,183
Appropriations received	87,000,000
Other Adjustments (+/-)	(9,994,416)
Appropriations used	(66,276,881)
Net Change in Unexpended Appropriations	10,728,703
Total Unexpended Appropriations - Ending	\$ 218,977,886
Cumulative Results of Operations:	
Beginning Balance	\$ 2,580,279
Beginning balance, as adjusted	2,580,279
Appropriations used	66,276,881
Imputed financing	1,163,084
Net Cost of Operations	(69,064,431)
Net Change in Cumulative Results of Operations	\$ (1,624,466)
Cumulative Results of Operations - Ending	\$ 955,813
Net Position	\$ 219,933,699

The accompanying notes are an integral part of these statements.

**United States Trade and Development Agency
Statement of Budgetary Resources
For the Fiscal Year Ended September 30, 2025
(In Dollars)**

	2025
Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 11)	\$ 81,009,253
Appropriations (discretionary and mandatory)	87,000,000
Spending authority from offsetting collections (discretionary and mandatory)	17,460,425
Total budgetary resources	<u>\$ 185,469,678</u>
 New obligations and upward adjustments (total) (Note 7)	 \$ 59,690,323
Unobligated balance, end of year:	
Apportioned, unexpired account	99,820,528
Unexpired unobligated balance, end of year	99,820,528
Expired unobligated balance, end of year (Note 2)	25,958,827
Unobligated balance, end of year (total)	125,779,355
Total budgetary resources	<u>\$ 185,469,678</u>
 Outlays, net (total) (discretionary and mandatory)	 \$ 52,041,166
Agency outlays, net (discretionary and mandatory)	<u>\$ 52,041,166</u>

The accompanying notes are an integral part of these statements.

U.S. TRADE AND DEVELOPMENT AGENCY

Notes to Financial Statements September 30, 2025

(1) Summary of Significant Accounting Policies

(a) *Description of Reporting Entity*

The U.S. Trade and Development Agency (USTDA) is an independent U.S. government agency administered under the authority of Section 661 of the *Foreign Assistance Act of 1961*, as amended (22 U.S.C. § 2421) (FAA). The Agency is not subject to Federal, state, or local income tax; therefore, no provision for income taxes has been recorded in the accompanying financial statements.

USTDA helps companies create U.S. jobs through the export of U.S. goods and services for priority development projects in emerging economies. USTDA links U.S. businesses to export opportunities by funding project preparation and partnership building activities that develop sustainable infrastructure and foster economic growth in partner countries.

The organization was established on July 1, 1981, as the Trade and Development Program (TDP) by delegation of authority as a component of the International Development Cooperation Agency (IDCA). In 1988, under the *Omnibus Trade and Competitiveness Act*, the organization was designated as a separate component agency of IDCA. On October 28, 1992, Congress enacted the *Jobs through Exports Act of 1992*, which renamed TDP as the Trade and Development Agency and established USTDA as an independent executive branch agency under the foreign policy guidance of the Secretary of State.

(b) *Basis of Presentation*

These financial statements have been prepared to report on the financial position, net costs, changes in net position, and budgetary resources of USTDA. These financial statements include all activity related to USTDA's appropriation and interagency agreements, whereby USTDA receives transfers from other Federal agencies for use in specific regions or sectors.

(c) *Budgets and Budgetary Accounting*

Congress annually adopts a budget appropriation that provides USTDA with authority to use funds from the U.S. Department of the Treasury to meet operating and program expense requirements. All revenue received from other sources, except for appropriations transferred from other Federal agencies, must be returned to the General Fund of the U.S. Treasury.

(d) *Basis of Accounting*

USTDA's Balance Sheets, Statements of Net Cost, and Statements of Changes in Net Position are prepared using the accrual basis of accounting. This basis requires recognition of the financial effects of transactions, events, and circumstances in the periods when those transactions, events, and circumstances occur, regardless of when cash is received or paid. USTDA also uses budgetary accounting to facilitate compliance with legal constraints and to track its budget authority at the various stages of execution, including commitments, obligation, and eventual outlay. Under budgetary accounting, obligations are recorded when orders for goods or services are placed or awards are authorized, or costs are incurred. Outlays are recorded when disbursements are made. The Statements of Budgetary Resources are prepared using budgetary accounting methods.

U.S. TRADE AND DEVELOPMENT AGENCY

Notes to Financial Statements September 30, 2025

The standards used in the preparation of the accompanying financial statements are issued by the Federal Accounting Standards Advisory Board, which represent accounting principles generally accepted in the United States of America for U.S. government entities.

(e) Appropriations and Other Financing Sources

Appropriations are recognized as a financing source at the time they are authorized and apportioned. Appropriations used to fund grant activities and administrative expenses are recognized as expenses and revenue as the resultant related expenses are incurred.

During FY 2025, USTDA received appropriations to be used for program and administrative expenses, which are available for obligation through September 30, 2026. These funds were appropriated in accordance with Division F, Title XI of the *Further Consolidated Appropriations Act 2024*, and carried forward through Division A, Title XII of the *Full-Year Continuing Appropriations and Extensions Act, 2025*.

In FY 2016 under Section 632(b) of the FAA, U.S. Agency for International Development (USAID) and USTDA entered a “Participating Agency Program Agreement” that provided \$2.8 million to USTDA to establish a four-year program for personnel to support the Power Africa Initiative. In FY 2019 and FY 2021, this agreement was modified by an additional \$1.0 million and \$0.9 million, respectively, for a total combined amount of \$4.7 million, and then subsequently extended. USAID issued a Notice of Termination effective March 27, 2025, terminating this agreement and all work and activities specific to the agreement.

On September 30, 2019, under Section 604 of the FAA, as amended, (22 U.S.C. § 2354) and Section 636 of the FAA, as amended, (22 U.S.C. § 2339(i)), U.S. Department of State (DOS) and USTDA concluded a transfer agreement in the amount of \$28.0 million, to advance the Administration’s Indo-Pacific Strategy. The funding, which was received in FY 2020 provides USTDA resources to expand its program across the entire region for project preparation investments designed to spur financing of quality infrastructure projects in USTDA’s partner countries while also opening those markets for the export of U.S.-manufactured goods, technologies, and services. DOS issued a Notice of Termination effective June 5, 2025, terminating this agreement and all work and activities specific to the agreement.

Under Section 632(b) of the FAA, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2021 (Div. K, P.L. 117-103), DOS, and USTDA entered into an agreement in FY 2022, under which DOS provided \$3.7 million in total for two projects: (1) Digital Infrastructure Advisors (\$1,713,000) and (2) Next Generation Network (5G/Open RAN) Trial Deployments (\$2,000,000). As of September 30, 2025, approximately \$3.4 million has been obligated for the two projects with \$2.4 million disbursed.

Under Section 632(b) of the FAA, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2023 (Div. K, P.L. 117-328), DOS and USTDA entered into an agreement in FY 2023, under which DOS provided \$2.2 million to support critical mineral development for the semiconductor supply chain. As of September 30, 2025, no funds have been obligated or disbursed.

U.S. TRADE AND DEVELOPMENT AGENCY

Notes to Financial Statements September 30, 2025

Under Section 632(b) of the FAA, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2021 (Div. K, P.L. 116-260), USAID and USTDA entered into an agreement in FY 2023, under which USAID provided \$500,000 to support staffing for the Digital Transformation with Africa initiative. USAID issued a Notice of Termination effective May 2, 2025, terminating this agreement and all work and activities specific to the agreement.

Under Section 632(b) of the FAA, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2022 (Div. K, P.L. 117-103), DOS and USTDA entered into an agreement in FY 2023, under which DOS provided \$5.0 million for transportation project preparation assistance and an improved enabling environment for aviation, surface transportation, electric vehicles, logistics, and intelligent transportation systems infrastructure projects in the Indo-Pacific region. As of September 30, 2025, approximately \$1.9 million has been obligated with \$92,000 disbursed.

Under Section 632(b) of the FAA, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2020 (Div. G, P.L. 116-94), DOS and USTDA entered into an agreement in FY 2023, under which DOS provided \$3.0 million to conduct project preparation assistance and capacity building programs in digital infrastructure, healthcare, energy and transportation and an improved enabling environment for infrastructure projects in the Indo-Pacific region. As of September 30, 2025, the full \$3.0 million has been obligated with \$554,000 disbursed.

Under Section 632(b) of the FAA, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2022 (Div. K, P.L. 117-103), DOS and USTDA entered into an agreement in FY 2024, under which DOS provided \$1.0 million for Next Generation Network 5G/Open RAN Trial Deployments in Brazil. As of September 30, 2025, no funds have been obligated or disbursed.

Under Section 632(b) of the FAA, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2019 (Div. F, P.L. 116-6), USAID and USTDA entered a “Participating Agency Program Agreement” in FY 2024 that provided \$5.3 million to USTDA to establish a five-year program for personnel to support the Power Africa Initiative. In FY 2025, USTDA received \$1,000,282 as the first tranche of funding against the newly signed agreement. USAID issued a Notice of Termination effective March 27, 2025, terminating this agreement and all work and activities specific to the agreement.

Under Section 632(b) of the FAA, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2023 (Div. K, P.L. 117-328), DOS, and USTDA entered into an agreement in FY 2024, under which DOS provided \$8.05 million in total for project preparation assistance: (1) CDP Digital Infrastructure (\$5,200,000) and (2) CDP Smart Cities (\$2,850,000). As of September 30, 2025, approximately \$1.7 million has been obligated for CDP Digital Infrastructure with \$172,900 disbursed.

Under Section 632(b) of the FAA, and the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2023 (Div. K, P.L. 117-328), DOS, and USTDA entered into an agreement in FY 2024, under which DOS provided \$18.5 million in total for

U.S. TRADE AND DEVELOPMENT AGENCY

Notes to Financial Statements September 30, 2025

project preparation assistance: (1) Luzon Economic Corridor (\$8,500,000); (2) PGI-IPEF Accelerator Project Preparation Facility (\$5,000,000); and, (3) Pacific Island Countries Capacity Building (\$5,000,000). As of September 30, 2025, approximately \$7.3 million has been obligated with \$576,000 disbursed.

(f) *Fund Balance with Treasury*

USTDA does not maintain cash in commercial bank accounts. The U.S. Treasury processes cash receipts and disbursements. The balance of funds with the Treasury primarily represents appropriated funds that are available to pay current liabilities and finance authorized purchase commitments relative to goods or services.

(g) *Accounts Receivable*

USTDA regards amounts due from other Federal agencies as 100 percent collectible. Federal accounts receivable consists of amounts due from DOS for their reimbursable programs. Consistent with accounting standards, USTDA records accounts receivable in the same amount as the accounts payable to contractors for services provided under any reimbursable interagency agreement.

(h) *Property and Equipment*

Property and equipment are stated at cost, less accumulated depreciation. USTDA capitalizes individual acquisitions of property and equipment greater than \$25,000, and bulk acquisitions of property and equipment greater than \$50,000, and minimum useful life exceeding two years.

Depreciation is calculated using the straight-line method and is based on an estimated useful life of 10 years for all assets, except computer equipment and software, which is depreciated over 5 years. Leasehold improvements are amortized over the estimated period of occupancy or the life of the improvement, whichever is less. Expenditures on repairs and maintenance are charged to operating expenses as incurred.

(i) *Liabilities*

Liabilities represent amounts owed by USTDA as the result of transactions or events that have occurred as of fiscal year end. Liabilities covered by budgetary or other resources are those liabilities for which Congress has appropriated funds or funding is otherwise available to pay amounts owed. Liabilities not covered by budgetary or other resources represent amounts owed in excess of available, congressionally appropriated funds or other amounts. The liquidation of liabilities not covered by budgetary or other resources is dependent on future congressional appropriations or other funding. There is no certainty that Congress will appropriate funds to satisfy such liabilities.

(j) *Undelivered Orders*

Undelivered orders represent the number of orders for goods and services outstanding for which funds have been obligated, but the liabilities have not been incurred.

U.S. TRADE AND DEVELOPMENT AGENCY

Notes to Financial Statements September 30, 2025

(k) *Accrued Leave*

Annual leave is accrued as a liability as it is earned. The liability is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current year pay rates. To the extent that the current or prior year appropriations are not available to fund annual leave earned, but not taken, funding will be obtained from future appropriations. USTDA's accounting for annual leave earned, but not taken, is compliant with established regulations. Sick leave and other types of non-vested leave are charged to expense as the leave is used.

(l) *Cumulative Results of Operations*

Cumulative results of operations represent the difference between net property and equipment and unfunded annual leave, plus the net difference between expenses and financing sources since the inception of an activity.

(m) *Retirement Plan*

USTDA's employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). Employees participating in CSRS contribute 7.0 percent of their gross pay to the plan, and USTDA contributes 8.51 percent. The Office of Personnel Management (OPM) has calculated that the cost of providing a CSRS benefit is 38.4 percent of an employee's basic pay. This exceeds the amounts contributed to the plan by USTDA and its employees. In accordance with Statement of Federal Financial Accounting Standard (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*, USTDA reports the full cost of providing pension benefits to employees in the CSRS.

On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and the Social Security Act. Employees hired prior to January 1, 1984, could elect either to join FERS and the Social Security Act or remain in CSRS. A primary feature of FERS is that it offers a savings plan in which USTDA automatically contributes 1 percent of employees' pay and matches any employee contribution up to an additional 4 percent of basic pay. For most employees hired since December 31, 1983, USTDA also contributes the employer's matching share under the Social Security Act. Public Law 112-96, Section 5001, the Middle-Class Tax Relief and Job Creation Act of 2012, divided FERS participants into two categories, FERS employees and FERS-Revised Annuity Employees (FERS-RAE). Employees hired on or after January 1, 2013, with some exceptions, are required to contribute 2.3% more to FERS than FERS employees hired prior to January 1, 2013. Section 401 of the Bipartisan Budget Act of 2013 made another change to FERS: beginning January 1, 2014, new employees (as designated in the statute) pay higher employee contributions, an increase of 1.3 percent of salary above the percentage set for FERS-Revised Annuity Employees. Section 8401 of Title 5, United States Codes, was amended to add a new definition of a FERS-FRAE employee.

U.S. TRADE AND DEVELOPMENT AGENCY

Notes to Financial Statements September 30, 2025

The following chart highlights contribution rates for FERS employees:

FERS Retirement System	Agency Contribution Rate	Employee Contribution Rate
FERS – Regular	26.2%	0.8%
FERS – RAE	26.8%	3.1%
FERS – FRAE	27.1%	4.4%

The total amount of imputed financing for retirement and other post-retirement benefits paid by OPM for FY25 amounted to \$1,163,084. This amount is included in USTDA's FY 2025 financial statements.

The actuarial present value of accumulated benefits, assets available for benefits, and unfunded pension liability of CSRS and FERS is not allocated to individual departments and agencies and is therefore not disclosed by USTDA. Reporting these amounts is the responsibility of OPM.

(n) *Classified Activities*

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

(o) *Use of Estimates*

Management has made certain estimates and assumptions when reporting in these financial statements on assets and liabilities. Management's estimates and assumptions are also used in expenses and note disclosures. Actual results could differ from these estimates. Significant estimates underlying the accompanying financial statements include depreciable lives of property and equipment with no residual value, and the grants payable accrual. USTDA used a ratio of the average of accounts payable to unpaid obligations over a three-year period and applied the resulting percentage to calculate the current year's estimate of accounts payable.

(p) *Recognition of Signed Reimbursable Agreements*

The USTDA completed negotiations and signed formal interagency agreements with the U.S. Department of State (DOS) the last week of the Fiscal Year. Said documents were signed on September 29, 2025, and totaled \$5.49 million in reimbursable authority that will be posted to USTDA's ledger in FY 2026.

(q) *Changes in Presentation*

As per OMB Memorandum 25-30 and OMB Circular A-136, as signed on July 14, 2025, significant changes have been mandated to the audited financial statements and the associated footnotes. While the agency will continue to undergo an annual audit, only current year's financial information will be presented in the financial statements and associated footnotes.

U.S. TRADE AND DEVELOPMENT AGENCY

**Notes to Financial Statements
September 30, 2025**

(2) Fund Balance with Treasury

Fund Balance with Treasury represents USTDA's undisbursed budgetary authority and funds to be returned to Treasury on September 30, 2025, follows:

	<u>2025</u>
Fund Balance:	
Appropriated funds	\$ 271,512,909
Total	<u>\$ 271,512,909</u>
Status of Fund Balance with Treasury:	
Unobligated balance	\$ 119,157,006
Obligated balance not yet disbursed	<u>152,355,903</u>
Total	<u>\$ 271,512,909</u>

Unobligated fund balances are either available or unavailable. Amounts are reported as unavailable when they are no longer legally available to USTDA for new obligations. However, although unavailable balances are no longer legally available for new obligations, they may still be used under specific circumstances to increase initial obligations to cover additional bonafide expenditures.

(3) Accounts Receivable, Net

Accounts receivable as of September 30, 2025, consist of the following components:

	<u>2025</u>
Accounts receivable –	
Intragovernmental:	
U.S Department of State	\$ 132,572
Accounts receivable – Public	<u>5,717</u>
Total	<u>\$ 138,289</u>

The Intragovernmental accounts receivable related to services provided by the Agency under various inter-agency agreements. The allowance related to accounts receivable from intragovernmental and public sources was \$0 as of September 30, 2025.

U.S. TRADE AND DEVELOPMENT AGENCY

**Notes to Financial Statements
September 30, 2025**

(4) Property, Plant, and Equipment, Net

Property and equipment and related accumulated depreciation balances on September 30, 2025, are as follows:

September 30, 2025			
Class of Asset	Acquisition value	Accumulated depreciation/ amortization	Net book value
Equipment and Furniture	\$ 3,564,617	\$ (2,497,708)	\$ 1,066,909
Computer Software	107,857	(107,857)	-
Leasehold Improvements	1,949,248	(1,449,441)	499,807
	<u>\$ 5,621,722</u>	<u>\$ (4,055,006)</u>	<u>\$ 1,566,716</u>

(5) Liabilities

Total liabilities represent the sum of liabilities not covered by budgetary resources and those covered by budgetary resources. As of September 30, 2025, total liabilities were as follows:

	2025
Intragovernmental Liabilities	
Accounts payable	\$ 700,192
Advances from others and deferred revenue	36,399,185
Other Liabilities	66,387
Total intragovernmental	<u>37,165,764</u>
Other than Intra-governmental Liabilities	
Accounts payable	15,214,666
Federal employee salary, leave, and benefits payable	
Accrued Funded Payroll and Leave	216,504
Employer Contributions and Payroll Taxes Payable	10,446
Unfunded Leave	682,792
Total Other than Intra-governmental Liabilities	<u>16,124,408</u>
Total liabilities	<u>\$ 53,290,172</u>
Total liabilities not covered by budgetary resources	\$ 682,792
Total liabilities covered by budgetary resources	52,607,380
Total liabilities	<u>\$ 53,290,172</u>

All liabilities other than the unfunded accrued leave are considered current liabilities. Approximately \$14.1 million of the accounts payable balance as of September 30, 2025, relates to grant payments owed but unpaid.

U.S. TRADE AND DEVELOPMENT AGENCY

**Notes to Financial Statements
September 30, 2025**

(6) Leases

USTDA entered into an Occupancy Agreement with GSA for a ten-year term, with a five-year renewal option period. USTDA pays GSA a standard-level users' charge for the annual rental which approximates the commercial rental rates for similar properties

USTDA has incurred \$1,860,720 in intra-governmental lease expenses for the year ended September 30, 2025, and has no non-intragovernmental, non-short-term contracts or agreements.

Below is a schedule of estimated intragovernmental annual lease expense for the terms of the lease:

Fiscal Year	Total
2026	1,929,512
2027	1,940,082
2028	779,428
<hr/>	
Total Intragovernmental Lease Expense	\$ 4,649,022

(7) Apportionment Categories of New Obligations and Upward Adjustments: Direct vs. Reimbursable Obligations

New Direct and Reimbursable obligations and upward adjustments reported on the Statement of Budgetary Resources for the year ended September 30, 2025, consisted of the following:

	<u>2025</u>
Category A—Direct obligations for operating expenses	\$ 20,665,495
Category B—Direct obligations for program expenses	26,956,498
Category B—Reimbursable obligations for program expenses	<u>12,068,330</u>
Total obligations and upward adjustments	\$ <u><u>59,690,323</u></u>

U.S. TRADE AND DEVELOPMENT AGENCY

**Notes to Financial Statements
September 30, 2025**

(8) Undelivered Orders

At September 30, 2025, undelivered orders balances consisted of the following:

		<u>2025</u>
Federal		
Unpaid	\$	12,394,465
Paid		5,957
Non-Federal		
Unpaid		<u>123,753,242</u>
Total undelivered orders	\$	<u><u>136,153,664</u></u>

(9) Permanent Indefinite Appropriations

No-year funds as of September 30, 2025, exist for the following purposes:

		<u>2025</u>
General program activities	\$	<u>475,959</u>
Total permanent indefinite appropriations	\$	<u>475,959</u>

U.S. TRADE AND DEVELOPMENT AGENCY

Notes to Financial Statements September 30, 2025

(10) Reconciliation of Net Cost to Net Outlays

The Budget and Accrual Reconciliation (BAR), requires a reconciliation of the net outlays on a budgetary basis and the net cost of operations during the period.

United States Trade and Development Agency As of September 30, 2025 (In Dollars)			
Budget and Accrual Reconciliation			
For the period ended September 30, 2025			
	Intragovernmental	With the Public	Total FY2025
Net Operating Cost (SNC)	8,725,104	60,339,327	69,064,431
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation	-	(458,691)	(458,691)
Increase/(Decrease) in Assets:			
Accounts receivable	(311,341)	(5,428)	(316,769)
Other assets	5,957	-	5,957
(Increase)/Decrease in Liabilities:			
Accounts payable	(16,058,153)	763,232	(15,294,921)
Salaries and benefits	(3,089)	(9,607)	(12,696)
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	-	103,166	103,166
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to agency	(1,163,084)	-	(1,163,084)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	(17,529,710)	392,672	(17,137,038)
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Acquisition of capital assets	-	113,773	113,773
Total Components of the Budget Outlays That Are Not Part of Net Operating Cost	-	113,773	113,773
Net Outlays (Calculated Total)	(8,804,606)	60,845,772	52,041,166
Agency Outlays, Net (SBR Line 4210)			52,041,166

(11) Reconciliation of Prior Year Ending Unobligated Balance and Current Year Beginning Unobligated Balance

For September FY 25, there is a material difference of \$11,580,743 between the prior year ending Unobligated Balance of \$69,428,510 and the current year beginning Unobligated Balance of \$81,009,253 on the Statement of Budgetary Resources driven by recoveries of previous year's obligations. Two sources make up this difference \$(9,994,416) in canceled budget authority and \$21,575,159 in recoveries of previous obligations.

ATDA	Accountability of Tax Dollars Act of 2002
AICPA	American Institute of Certified Public Accountants
CSRS	Civil Service Retirement System
DOS	Department of State
FAA	Foreign Assistance Act of 1961
FAR	Federal Acquisition Regulations
FECA	Federal Employees' Compensation Act
FEHB	Federal Employees Health Benefits
FEGLI	Federal Employees Group Life Insurance
FERS	Federal Employees Retirement System
FERS-RAE	FERS-Revised Annuity Employees
FISMA	Federal Information Security Modernization Act of 2014
FMFIA	Federal Managers' Financial Integrity Act of 1982
FPPS	Federal Personnel and Payroll System
FedRAMP	Federal Risk and Authorization Management Program
FY	Fiscal Year
GSA	General Services Administration
GSS	General Support System
GAAP	Generally Accepted Accounting Principles
GPI	Global Procurement Initiative: Understanding Best Value
GPRA	Government Performance and Results Act of 1993
IBC	Interior Business Center
IDCA	International Development Cooperation Agency
IPERA	Improper Payments Elimination and Recovery Act of 2010
IPERIA	Improper Payments Elimination and Recovery Improvement Act of 2012
IPIA	Improper Payments Information Act of 2002
LCCA	Life-Cycle Cost Analysis
M&E Office	Office of Program Monitoring and Evaluation
NIS	New Independent States

NIST	National Institute of Standards and Technology
OETs	Outside Evaluation Teams
OFF	Oracle Federal Financials
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PAR	Performance and Accountability Report
RTM	Reverse Trade Mission
SBA	Small Business Administration
SEED	Support for East European Democracy Act
SFFAS	Statement of Federal Financial Accounting Standard
SSAE	Statements on Standards for Attestation Engagements
TDP	Trade and Development Program
TYRA	Ten Year Rolling Average
US-ACEF	U.S.-Africa Clean Energy Finance Initiative
USAID	U.S. Agency for International Development
USTDA	U.S. Trade and Development Agency