

Environmental Defense Fund, Incorporated

**Consolidated Financial Statements
Years Ended September 30, 2025 and 2024**

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Environmental Defense Fund, Incorporated

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Years Ended September 30, 2025 and 2024

Environmental Defense Fund, Incorporated

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Independent Auditor's Report

The Board of Trustees
Environmental Defense Fund, Incorporated
New York, New York

Opinion

We have audited the consolidated financial statements of the Environmental Defense Fund, Incorporated and its subsidiaries (EDF), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of EDF as of September 30, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EDF 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EDF's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 EDF'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about EDF'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.

BDO USA, P.C.

February 3, 2026

Environmental Defense Fund, Incorporated

Consolidated Statements of Financial Position

<i>September 30,</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 16,386,944	\$ 9,347,701
Prepaid expenses and other assets	19,790,055	17,519,381
Right-of-use assets, operating leases	42,573,960	38,389,881
Right-of-use assets, finance lease	-	53,584
Pledges receivable, net	117,099,485	110,443,726
Insurance receivable	15,900,000	-
Investments, at fair value	266,295,131	131,927,155
Property and equipment, net	8,560,784	80,127,055
Total Assets	\$ 486,606,359	\$ 387,808,483
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 18,907,218	\$ 13,572,017
Deferred revenue and rent payable	216,119	402,226
Annuities payable	6,984,742	6,542,344
Lease liabilities, operating leases	49,472,605	42,224,621
Lease liabilities, finance lease	-	55,967
Pension liability	8,260,701	7,608,997
Other liabilities	173,087	172,019
Total Liabilities	84,014,472	70,578,191
Commitments and Contingencies		
Net Assets		
Without donor restrictions	98,853,506	42,667,811
With donor restrictions	303,738,381	274,562,481
Total Net Assets	402,591,887	317,230,292
Total Liabilities and Net Assets	\$ 486,606,359	\$ 387,808,483

See accompanying notes to consolidated financial statements.

Environmental Defense Fund, Incorporated

Consolidated Statement of Activities

Year ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Support:			
Contributions and membership	\$ 160,002,737	\$ 191,527,865	\$ 351,530,602
Foundations and other institutional giving	3,504,647	54,132,508	57,637,155
Government grants and other giving	-	1,972,296	1,972,296
Contributions of nonfinancial assets	2,285,674	85,335	2,371,009
Corporations	93,449	3,166,000	3,259,449
Bequests and other planned giving	16,779,521	99,163	16,878,684
Net assets released from restrictions	222,858,178	(222,858,178)	-
Total Support	405,524,206	28,124,989	433,649,195
Revenue:			
Fees, royalties, and other income	2,978,884	-	2,978,884
Total Operating Support and Revenue	408,503,090	28,124,989	436,628,079
Operating Expenses			
Program services	278,952,686	-	278,952,686
Total Program Services	278,952,686	-	278,952,686
Supporting services:			
Management and general	19,067,183	-	19,067,183
Fundraising and development	21,315,644	-	21,315,644
Total Supporting Services	40,382,827	-	40,382,827
Total Operating Expenses	319,335,513		319,335,513
Change in Net Assets from Operations	89,167,577	28,124,989	117,292,566
Change in Net Assets from Non-Operating Activities			
Investment income, net of allocation to operations	10,836,590	1,102,027	11,938,617
Asset impairment loss	(58,201,467)	-	(58,201,467)
Insurance recovery	15,900,000	-	15,900,000
Other expenses, net	(1,027,285)	(51,116)	(1,078,401)
Foreign exchange losses	(489,720)	-	(489,720)
Change in Net Assets	56,185,695	29,175,900	85,361,595
Net Assets, beginning of year	42,667,811	274,562,481	317,230,292
Net Assets, end of year	\$ 98,853,506	\$ 303,738,381	\$ 402,591,887

See accompanying notes to consolidated financial statements.

Environmental Defense Fund, Incorporated

Consolidated Statement of Activities

Year ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Support:			
Contributions and membership	\$ 118,208,508	\$ 89,904,140	\$ 208,112,648
Foundations and other institutional giving	670,398	83,234,743	83,905,141
Government grants and other giving	-	1,611,091	1,611,091
Contributions of nonfinancial assets	1,624,344	111,458	1,735,802
Bequests and other planned giving	11,584,264	1,254,732	12,838,996
Net assets released from restrictions	178,175,169	(178,175,169)	-
Total Support	310,262,683	(2,059,005)	308,203,678
Revenue:			
Fees, royalties, and other income	4,658,549	-	4,658,549
Total Operating Support and Revenue	314,921,232	(2,059,005)	312,862,227
Operating Expenses			
Program services	268,641,374	-	268,641,374
Total Program Services	268,641,374	-	268,641,374
Supporting services:			
Management and general	16,505,872	-	16,505,872
Fundraising and development	23,267,015	-	23,267,015
Total Supporting Services	39,772,887	-	39,772,887
Total Operating Expenses	308,414,261	-	308,414,261
Change in Net Assets from Operations	6,506,971	(2,059,005)	4,447,966
Change in Net Assets from Non-Operating Activities			
Investment income, net of allocation to operations	6,388,148	4,022,987	10,411,135
Other income, net	1,947,302	12,485	1,959,787
Foreign exchange gains	341,809	-	341,809
Change in Net Assets	15,184,230	1,976,467	17,160,697
Net Assets, beginning of year	27,483,581	272,586,014	300,069,595
Net Assets, end of year	\$ 42,667,811	\$ 274,562,481	\$ 317,230,292

See accompanying notes to consolidated financial statements.

Environmental Defense Fund, Incorporated

Consolidated Statement of Functional Expenses

Year ended September 30, 2025

	Program Services						Supporting Services				
	Stabilize the Climate	Support People’s Health	Strengthen People’s and Nature’s Ability to Thrive	Regionally Focused Work	Core Capacities and Education	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	Total	
Salaries and wages	\$ 32,555,892	\$ 7,586,051	\$ 24,104,942	\$ 8,123,682	\$ 30,076,465	\$ 102,447,032	\$ 6,852,841	\$ 10,761,558	\$ 17,614,399	\$ 120,061,431	
Benefits and other employee costs	8,586,185	1,981,627	6,290,569	2,150,866	8,089,127	27,098,374	1,613,591	2,639,552	4,253,143	31,351,517	
Total Personnel Expense	41,142,077	9,567,678	30,395,511	10,274,548	38,165,592	129,545,406	8,466,432	13,401,110	21,867,542	151,412,948	
Professional and consulting fees	17,531,981	1,659,960	12,569,562	6,100,799	10,823,840	48,686,142	1,149,413	1,479,307	2,628,720	51,314,862	
Grants and other contributions	9,670,053	943,986	8,880,699	900,140	13,942,300	34,337,178	77,629	89,735	167,364	34,504,542	
Depreciation and amortization	12,714,215	87,050	301,133	92,770	331,231	13,526,399	305,696	353,369	659,065	14,185,464	
Printing	2,727,956	1,433,798	2,176,555	917,609	2,034,648	9,290,566	1,049,886	1,213,619	2,263,505	11,554,071	
Advertising and promotions	1,960,564	534,494	850,948	803,238	4,684,441	8,833,685	416,386	481,322	897,708	9,731,393	
Occupancy	1,967,012	433,327	1,499,003	461,803	1,648,748	6,009,893	1,521,724	1,759,042	3,280,766	9,290,659	
Travel	2,278,660	238,197	2,193,284	384,223	2,269,147	7,363,511	223,081	291,000	514,081	7,877,592	
Meeting and events	3,193,051	257,983	1,387,951	358,433	1,630,047	6,827,465	457,312	528,718	986,030	7,813,495	
Subscriptions and dues	1,943,188	325,350	864,858	364,418	1,509,010	5,006,824	703,640	813,605	1,517,245	6,524,069	
Other	4,384,422	467,302	1,179,453	414,956	3,079,484	9,525,617	4,695,984	904,817	5,600,801	15,126,418	
Total Non-Personnel Expense	58,371,102	6,381,447	31,903,446	10,798,389	41,952,896	149,407,280	10,600,751	7,914,534	18,515,285	167,922,565	
Total Operating Expenses	\$ 99,513,179	\$ 15,949,125	\$ 62,298,957	\$ 21,072,937	\$ 80,118,488	\$ 278,952,686	\$ 19,067,183	\$ 21,315,644	\$ 40,382,827	\$ 319,335,513	

See accompanying notes to consolidated financial statements.

Environmental Defense Fund, Incorporated

Consolidated Statement of Functional Expenses

Year ended September 30, 2024

	Program Services						Supporting Services				
	Stabilize the Climate	Support People's Health	Strengthen People's and Nature's Ability to Thrive	Regionally Focused Work	Core Capacities and Education	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	Total	
Salaries and wages	\$ 32,782,835	\$ 6,854,654	\$ 26,270,329	\$ 9,480,322	\$ 34,429,375	\$ 109,817,515	\$ 8,254,266	\$ 12,750,207	\$ 21,004,473	\$ 130,821,988	
Benefits and other employee costs	8,621,027	1,761,262	6,868,045	2,472,996	9,460,510	29,183,840	1,676,195	2,832,743	4,508,938	33,692,778	
Total Personnel Expense	41,403,862	8,615,916	33,138,374	11,953,318	43,889,885	139,001,355	9,930,461	15,582,950	25,513,411	164,514,766	
Professional and consulting fees	13,997,003	1,984,838	9,927,225	4,291,596	8,436,279	38,636,941	1,028,243	1,199,194	2,227,437	40,864,378	
Grants and other contributions	9,317,902	799,244	7,023,485	374,701	16,160,730	33,676,062	25,176	29,353	54,529	33,730,591	
Depreciation and amortization	9,928,829	77,530	325,266	109,945	390,447	10,832,017	335,190	390,800	725,990	11,558,007	
Printing	2,493,693	1,677,789	2,187,205	1,521,411	2,266,451	10,146,549	557,377	649,849	1,207,226	11,353,775	
Advertising and promotions	2,906,305	269,309	984,638	496,564	1,827,245	6,484,061	739,050	861,661	1,600,711	8,084,772	
Occupancy	2,411,421	436,727	1,832,658	619,319	2,198,995	7,499,120	1,888,127	2,201,375	4,089,502	11,588,622	
Travel	1,579,514	179,609	1,733,610	251,417	1,851,403	5,595,553	157,867	201,109	358,976	5,954,529	
Meeting and events	1,184,720	98,071	705,074	147,710	544,777	2,680,352	250,239	291,932	542,171	3,222,523	
Subscriptions and dues	1,556,178	243,568	790,523	254,888	1,211,478	4,056,635	725,798	846,450	1,572,248	5,628,883	
Other	7,431,250	281,199	919,927	311,615	1,088,738	10,032,729	868,344	1,012,342	1,880,686	11,913,415	
Total Non-Personnel Expense	52,806,815	6,047,884	26,429,611	8,379,166	35,976,543	129,640,019	6,575,411	7,684,065	14,259,476	143,899,495	
Total Operating Expenses	\$ 94,210,677	\$ 14,663,800	\$ 59,567,985	\$ 20,332,484	\$ 79,866,428	\$ 268,641,374	\$ 16,505,872	\$ 23,267,015	\$ 39,772,887	\$ 308,414,261	

See accompanying notes to consolidated financial statements.

Environmental Defense Fund, Incorporated

Consolidated Statements of Cash Flows

<i>Year ended September 30,</i>	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 85,361,595	\$ 17,160,697
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated securities	(49,445,552)	(21,851,312)
Proceeds from donated securities	49,202,000	21,754,628
Net realized and unrealized gain on investments	(2,803,364)	(6,324,692)
Depreciation and amortization	14,185,464	11,558,007
Asset impairment loss	58,201,467	-
Change in present value of pledges receivable	(661,026)	2,481,611
Bad debt	(6,729,543)	-
Non-cash lease expense	7,857,857	9,002,676
Changes in:		
Prepaid expenses and other assets	(2,270,674)	778,411
Pledges receivable	734,810	(4,937,848)
Insurance receivable	(15,900,000)	-
Accounts payable and accrued expenses	5,335,201	(7,357,147)
Deferred revenue and rent payable	(186,107)	186,109
Principal reduction in operating lease liability	(4,740,368)	(7,585,099)
Annuities payable	442,398	949,740
Pension liability	651,704	1,135,034
Other liabilities	1,068	(2,812,896)
Net Cash Provided by Operating Activities	139,236,930	14,137,919
Cash Flows from Investing Activities		
Purchases of property and equipment	(820,660)	(14,939,470)
Proceeds from sales of investments	70,170,765	41,643,187
Purchases of investments	(201,491,825)	(39,066,772)
Net Cash Used in Investing Activities	(132,141,720)	(12,363,055)
Cash Flows from Financing Activities		
Payments on finance lease	(55,967)	(57,317)
Repayment of notes payable	-	(6,366,396)
Net Cash Used in Financing Activities	(55,967)	(6,423,713)
Net Increase (Decrease) in Cash and Cash Equivalents	7,039,243	(4,648,849)
Cash and Cash Equivalents, beginning of year	9,347,701	13,996,550
Cash and Cash Equivalents, end of year	\$ 16,386,944	\$ 9,347,701
Supplemental Disclosures of Cash Flow Information		
Right-of-use assets acquired through operating leases	\$ 9,524,798	\$ 4,751,298
Interest paid	-	240,894

See accompanying notes to consolidated financial statements.

Environmental Defense Fund, Incorporated

Consolidating Schedule of Activities

1. Organization and Summary of Significant Accounting Policies

The accompanying Environmental Defense Fund, Incorporated consolidated financial statements are comprised of the entity, Environmental Defense Fund, Incorporated (EDF Inc.), and its wholly controlled entities, the Environmental Defense Action Fund (EDF Action); MethaneSat, LLC (MethaneSAT); SATMgmt, LLC (SATMgmt); Environmental Defense Fund de Mexico, A.C. (EDF Mexico); the Environmental Defense Action Fund Political Action Committee (EDF Action PAC); Environmental Defense Fund UK (EDF UK); Stichting Environmental Defense Fund Europe (EDF Netherlands); Environmental Defense Fund Beijing Representative Office (EDF Beijing); Environmental Defense Fund Hong Kong (EDF Hong Kong); Environmental Defense Fund Indonesia (EDF Indonesia); and Environmental Defense Fund Japan Foundation (EDF Japan) (together, EDF), as of and for the fiscal year ended September 30, 2025.

EDF Inc. is organized under the laws of New York State. It is classified as a public charity and is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the Code), and from state and local taxes under comparable laws. It is dedicated to protecting the environmental rights of all people, including the rights to clean air, clean water, healthy food, and flourishing ecosystems. EDF Inc. employs scientists, economists, attorneys, and other professionals in an effort both to educate the public and to create practical solutions to environmental problems that win lasting political, economic, and social support because they are nonpartisan and fair. It receives support from its membership and other contributors, as well as through foundation and government grants.

EDF Inc. established EDF Mexico, a controlled foreign subsidiary, the operations of which are located in La Paz, Mexico. The expenditures of EDF Mexico are included in these consolidated financial statements.

EDF Action was incorporated in Delaware to educate the public about sound environmental policy and to advocate for effective laws to protect the environmental rights of all people. It has been classified as exempt from federal income taxes under Section 501(c)(4) of the Code. It receives support from EDF Inc., individuals, and other contributors.

EDF Action established EDF Action PAC to facilitate political contributions by EDF Action's members, officers, and designated staff to help support candidate committees and other political committees that merit the support of EDF Action and its members. Maintaining EDF Action's reputation for objective, bipartisan advocacy, EDF Action PAC was established to support candidates who promote environmental progress and protection, regardless of their political party affiliation. Since EDF Action PAC is not a separate legal entity, its assets and liabilities are included in these consolidated financial statements as part of EDF Action.

EDF UK and EDF Netherlands together are referred to as EDF Europe.

EDF UK was established in the United Kingdom (UK) as a company limited by guarantee, with EDF Inc. as the company's sole member. EDF UK is a registered charity under the UK Charities Act. As a registered charity, EDF UK is exempt from income tax so long as its funds are used for charitable purposes. The work of EDF UK focuses on restoring oceans and promoting sustainable fishing, as well as reducing emissions of climate pollutants through the wider use of clean energy and increased energy efficiency.

Environmental Defense Fund, Incorporated

Consolidating Schedule of Activities

EDF Netherlands is a Dutch foundation (stichting) registered in the Netherlands. EDF Netherlands participates in the Climate and Clean Air Coalition, which is a part of the United Nations Environment Program. In this role, EDF Inc. leads a series of international methane studies characterizing methane emissions from oil and gas operations. The work is funded by the European Commission, EDF Inc. itself, and Oil and Gas Climate Initiative member companies. Staff in the field are leading the day-to-day work. EDF Netherlands operates a branch office in Belgium.

EDF Beijing is a representative office of EDF in China, having a certificate issued in accordance with the Law of the People's Republic of China on Administration of Activities of Overseas Nongovernmental Organizations in the Mainland of China. This registration allows EDF Beijing to work throughout China on pollution control, environmental health, ecological conservation, and climate change.

SATMgmt is registered in New York State as a limited liability company. It is wholly owned and controlled by EDF Inc. and is disregarded as an entity separate from EDF Inc. for federal income tax purposes. SATMgmt manages the operations of MethaneSAT.

MethaneSAT is registered in New York State as a limited liability company. It is wholly owned and controlled by EDF Inc. and is disregarded as an entity separate from EDF Inc. for federal income tax purposes. MethaneSAT is critical to advancing EDF Inc.'s global methane strategy. MethaneSAT systematically quantifies methane emissions worldwide, starting with oil and gas-producing regions, and provides a global picture of emissions. MethaneSAT launched a satellite in March 2024 to track emissions. The satellite was lost in June 2025.

EDF Inc. is officially registered in Hong Kong where it intends to engage in the preservation of the natural systems to provide practical and lasting solutions to environmental problems, involving areas that span the biosphere, such as climate, oceans, ecosystems, and health.

EDF Indonesia is registered to operate in Indonesia. EDF Indonesia experts work closely with the Ministry of Maritime Affairs and Fisheries, as well as local and international nongovernmental organizations and universities to support and facilitate cooperation on the management of sustainable fisheries throughout Indonesia.

EDF Japan furthers EDF's environmental mission in Japan and the surrounding region. EDF Japan reports to a Board of Trustees, who in turn report to a Board of Commissioners, both of which are substantially comprised of EDF executives.

Basis of Accounting

The accompanying consolidated financial statements of EDF have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (GAAP).

Environmental Defense Fund, Incorporated

Consolidating Schedule of Activities

Principles of Consolidation

The entities that comprise EDF, as described above, have some common officers and directors, and may share staff and other resources under a cost-sharing agreement.

The consolidated financial statements include the accounts of all EDF wholly controlled entities. All material intercompany transactions and balances have been eliminated in consolidation.

Consolidated Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net asset defined below are displayed in the consolidated statements of financial position, and the amounts of change in each of those classes of net assets are displayed in the consolidated statements of activities.

These classes are defined as follows:

Net Assets Without Donor Restrictions - This class consists of net assets that are not subject to donor-imposed restrictions and are, therefore, available for general purposes to be used for the ongoing activity and working capital needs of EDF. Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or by law. Expenses are reported as decreases in net assets without donor restrictions. EDF Inc.'s Board of Trustees has designated \$12,500,000 and \$0 of net assets without donor restrictions as of September 30, 2025 and 2024, respectively.

Net Assets with Donor Restrictions - This class consists of net assets with donor restrictions whose use is limited by donor-imposed time and/or purpose restrictions. EDF reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—the net assets are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Net assets with donor restrictions may include that the corpus of gifts must be maintained in perpetuity, but allow for the expenditure of net investment income and gains on investments earned on the corpus for either specified or unspecified purposes in accordance with the donor's stipulations. These funds are included with donor restrictions as permanently restricted.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidated statements of activities.

Accordingly, certain expenses have been allocated among the programs and supporting services in reasonable ratios determined by management based on the benefits received by the programs and supporting services.

Environmental Defense Fund, Incorporated

Consolidating Schedule of Activities

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of EDF. Those expenses include depreciation and amortization, the finance department, the human resources department, the communications department, and the information technology department. Depreciation is allocated based on square footage, the finance department is allocated based on estimates of time and effort, certain costs of the communications department are allocated based on estimates of time and effort, and the information technology department is allocated based on estimates of time and costs of specific technology utilized.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Measure of Operations

EDF includes the following in its measure of operations:

- All revenues and expenses that are an integral part of its programs and supporting activities.
- Net assets released from restrictions to support operating expenditures.
- An annual amount appropriated for expenditure from donor-restricted endowment assets and assets designated for long-term investment.

EDF excludes the following from its measure of operations:

- Contributions from and changes in the value of split-interest agreements, until the death of the donor, unless specified otherwise.
- Investment results net of amounts made available for operating purposes.

Program Activities

During 2025 and 2024, EDF had five programmatic areas: Stabilize the Climate, Support People's Health, Strengthen People's and Nature's Ability to Thrive, Regionally Focused Work, and Core Capacities and Education. EDF's programmatic work spanned five areas of impact, four regions, and multiple core capacities, such as scientific research, economic impact analysis, and community engagement.

Stabilize the Climate - EDF Inc. worked with partners around the world, across the public and private sectors, to drive down pollution quickly and affordably, and to shift the world to clean energy as fast as possible.

Support People's Health - EDF Inc. worked to reduce air pollution and toxic chemicals that destabilize the climate and threaten health by partnering with communities, companies, and governments to drive policies that improve air and water quality, deliver safer products, and incentivize innovations, so everyone can live healthier lives.

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Strengthen People's and Nature's Ability to Thrive - EDF Inc. worked to ensure that communities and Indigenous peoples around the world can withstand existing climate impacts, while building their resilience as the climate changes. EDF Inc. also worked to bolster ecosystems as a natural barrier to climate change.

Regionally Focused Work - Because environmental challenges extend beyond borders, EDF Inc. focused globally in the places where it could have the greatest impact. EDF Inc. went where the emissions are, where farmers and fish populations need help, and where toxic chemicals affect communities. EDF Inc. delivered bold, game-changing climate solutions, focusing on four anchor regions—China, India, Europe, and the United States, which together produce about half of the world's climate pollution.

Core Capacities and Education - EDF Inc. leveraged its deep expertise in science and economics to drive sweeping change. To stand the test of time, a solution needs broad support. Therefore, EDF Inc. brings together people to tackle challenges from many perspectives. With EDF Inc.'s wide range of partners—from universities to companies to community organizations—EDF Inc. sparks innovative ideas and brings them to life.

Cash and Cash Equivalents

For financial reporting purposes, EDF considers all highly liquid instruments purchased with an original maturity of three months or less, excluding cash held for investment purposes, to be cash and cash equivalents.

Property, Equipment, and Depreciation

Property and equipment are recorded at their original costs and are depreciated over their estimated useful lives, which range from three to ten years, using the straight-line method. Leasehold improvements are amortized using the straight-line method over the terms of the underlying leases, or the estimated useful lives of the improvements, whichever is shorter. EDF capitalizes items of property and equipment that have a cost of \$5,000 or more and useful lives of three years or more.

Impairment of Long-Lived Assets

EDF Inc. reviews long-lived assets, including fixed assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable.

Fair Value Measurements

EDF reports a fair value measurement of all applicable financial assets and liabilities, including investments, pledges receivable, deferred revenue, and short-term and long-term notes payable.

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Investments

GAAP also establishes a three-level valuation hierarchy of fair value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of input create the following fair value hierarchy:

Level 1 - Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments at the reporting date.

Level 2 - Valuations are based on other observable inputs, either directly or indirectly, including (i) quoted prices for similar assets/liabilities in active markets, (ii) quoted prices for identical or similar assets in non-active markets, (iii) inputs other than quoted prices that are observable for the asset/liability, and (iv) inputs that are derived principally from or corroborated by other observable market data. Level 2 assets include those investments or similar investments that are redeemable at or near the consolidated statements of financial position dates and for which a model was derived for valuation.

Level 3 - Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments; (ii) the investments cannot be independently valued; or (iii) the investments cannot be immediately redeemed at or near the fiscal year-end.

Investment income, net is recorded as without donor restrictions, unless specifically restricted by the donors. Unrealized appreciation or depreciation of investments is included in the accompanying consolidated statements of activities. Realized gains and losses are accounted for on the specific-identification method.

EDF's policy is to sell donated equity securities upon receipt.

Investment income is net of direct investment expenses, which include the services of bank trustees, investment managers, and custodians. The balance of investment management fees charged by EDF's investment managers in each fiscal year does not include those fees that are embedded in various other investment accounts and transactions.

Valuation Allowances

EDF evaluates the discount on its pledges receivable balance annually. Pledges are grouped based on the due date of each individual pledge payment, and the discount rate is determined by the risk-free rate at the time of the evaluation.

Split-Interest Agreements

A portion of EDF Inc.'s investments results from deferred-giving vehicles subject to split-interest agreements. Three different types of agreements are currently maintained: the charitable gift annuity, the charitable remainder unitrust, and the pooled income fund.

Charitable gift annuities are without donor restriction irrevocable gifts under which EDF Inc. agrees in turn to pay a life annuity to the donor or to a designated beneficiary. The contributed funds and the attendant liabilities immediately become part of the general assets and liabilities of EDF Inc.,

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subject to EDF Inc. maintaining an actuarial reserve in accordance with New York State law. Charitable remainder unitrust gifts are time-restricted contributions not available to EDF Inc. until after the death of the donor, who, while living, receives an annual payout from the trust, based on a fixed percentage of the market value of the invested funds on September 30 of each year. The pooled income fund is composed of donations that are combined in bond and equity mutual fund investments. Contributors receive a pro-rata share of the actual ordinary income of these funds until their deaths, at which point the investment asset share of the donors becomes available to EDF Inc.

EDF Inc. values deferred gifts of cash at their face values and investments at their fair values. EDF Inc.'s liabilities are calculated on the basis of industry-standard actuarial data. Published Internal Revenue Service discount rates and actuarial tables are employed to determine the net present value of both contributions and liabilities pertaining to these deferred-giving arrangements.

The net asset value (NAV) of a split-interest agreement at the time of the donor's death is reported in without donor restrictions, unless specified otherwise by the donor.

Revenue Recognition

Contributions - Contributions and grants, including unconditional promises to give to EDF (pledges), are recognized as revenue in the period received. If pledges receivable are to be paid over a period greater than one year, they are recorded at the present value of their estimated future cash flows using the effective discount rate. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Contributions are considered to be available for use, unless specifically restricted by the donors.

Memberships - Memberships include online contributions from organizations and individuals received through mail and EDF's website. Membership payments are considered as non-exchange transactions and are recorded as contributions when received since benefits to members are nominal or incidental to their contributions.

Bequests - Bequests are reported as revenues when notification of the bequest is received, the amount is reasonably determinable, and the probate court declares the will valid. The bequest is reported as without donor restrictions unless the bequest includes restrictions within the will.

Contributions of Nonfinancial Assets

Donated goods and services are used by EDF in program activity; the amounts are reflected as contributions of nonfinancial assets in the accompanying consolidated statements of activities and advertising and promotions in the accompanying consolidated statements of functional expenses at their estimated fair value at the date of receipt. EDF received donated internet spending allowance credits of \$2,285,674 and \$1,624,344 from a third-party service provider in 2025 and 2024, respectively. Such amounts, which are based upon information provided by the third-party service provider, are recorded at their estimated fair market value determined on the date of donation.

The internet spending allowance does not have any donor-imposed restrictions associated with it and is, therefore, reported as without donor restrictions in the consolidated statements of activities.

As part of a lease agreement entered into in April 2023, the lease agreement included a free rent build-out period and a free rent period upon EDF Inc. occupying the space. This resulted in an in-kind

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contributed revenue of \$3,215,587 in fiscal year 2024 that is being amortized over the entire lease period. \$85,335 and \$111,458 of in-kind contribution revenue was recognized related to this lease for the years ended September 30, 2025 and 2024, respectively.

A number of volunteers, including members of the Board, have made significant contributions of their time in furtherance of EDF's mission. The value of this contributed time does not meet the criteria for recognition as contributed services, in accordance with GAAP, and, therefore, is not reflected in the accompanying consolidated financial statements.

Accounting for Uncertainty in Income Taxes

In accordance with GAAP, EDF must recognize a tax liability associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. EDF does not believe that it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits.

With Donor Restrictions - Permanently Restricted

New York State enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA). This law, which is a modified version of the Uniform Prudent Management of Institutional Funds Act, made significant changes to the rules governing how New York not-for-profit organizations may manage, invest, and spend their endowment funds. The law was designed to allow organizations to cope more easily with fluctuations in the value of their endowments and to afford them greater access to funds needed to support their programs and services in difficult financial times. It also expanded the options available to organizations seeking relief from donor restrictions on funds that have become obsolete, impracticable, or wasteful. NYPMIFA applies to New York not-for-profit education and religious corporations, associations organized and operated exclusively for charitable purposes, and certain trusts.

Foreign Currency Translation

EDF has offices in a number of countries. Assets and liabilities for these foreign branch offices are translated at the rates of exchange at the consolidated statement of financial position date, while consolidated statement of activities accounts are translated at the average exchange rates in effect during the period. The effect of such translation adjustments was to (decrease) increase net assets by (\$489,720) and \$341,809 for the years ended September 30, 2025 and 2024, respectively.

Reclassifications

Certain 2024 amounts have been reclassified to conform to the 2025 presentation.

Subsequent Events

EDF considered the accounting treatment, and the related disclosures in the current fiscal year's consolidated financial statements, which may be required as the result of all events or transactions through February 3, 2026, the date the consolidated financial statements were available for disclosure. Subsequent to September 30, 2025, insurance recoveries totaling \$15,900,000 associated with the satellite loss were received and have been recorded in the accompanying financial statements. In addition, in November 2025, the EDF Inc. Board of Trustees voted to establish EDF Netherlands as an independent legal entity. EDF is actively assessing the implications of this change.

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2. Liquidity and Availability of Resources

The following table reflects EDF's financial assets reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or assets held for others.

Pledges and net assets with donor restrictions - temporary that are expected to occur greater than one year from the consolidated statements of financial position dates are excluded from below.

<i>September 30,</i>	2025	2024
Cash and cash equivalents	\$ 16,386,944	\$ 9,347,701
Pledges receivable, net, current portion	80,161,492	77,406,296
Insurance receivable	15,900,000	-
Investments, at fair value	251,717,488	119,069,710
Total Financial Assets	364,165,924	205,823,707
Less: amounts unavailable for general expenditure within one year due to:		
With donor restrictions - permanently restricted by corpus	10,203,065	10,174,413
Expected accumulated endowment earnings not yet appropriated for expenditure	525,000	400,000
With donor restrictions - temporarily restricted contributions*	222,100,000	168,100,000
Total Amounts Unavailable for General Expenditure Within One Year	232,828,065	178,674,413
Total Financial Assets Available to Management to Meet Needs for General Expenditures Within One Year	\$ 131,337,859	\$ 27,149,294

* EDF has evaluated the amount of with-donor-restricted net assets that are expected to be spent in the next financial year and removed that amount from the chart. Amounts that are not expected to be spent in the next financial year are not included in the chart above.

As part of EDF's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

3. Pledges Receivable, Net

Unconditional amounts promised to EDF, but not yet collected, have been recorded as pledges receivable. Pledges receivable are reported at net realizable value.

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At fiscal year-end, pledges receivable are estimated to be collected as follows:

<i>September 30,</i>	2025	2024
In one year or less	\$ 80,161,492	\$ 77,406,296
Between one and two years	32,722,682	31,271,077
Between two and three years	5,575,771	3,210,788
Between three and four years	1,500,000	1,740,000
Between four and five years	1,400,000	100,000
Five years or more	1,400,000	-
Gross Pledges Receivable	122,759,945	113,728,161
Less: present value discount (calculated at rates ranging from 3.68% to 3.74% and 3.58% to 4.55%, respectively) and allowance for uncollectible pledges	(5,660,460)	(3,284,435)
	\$ 117,099,485	\$ 110,443,726

While EDF has an excellent record of collecting pledges receivable, management has a valuation allowance of \$2,115,000 and \$400,000 for uncollectible pledges as of September 30, 2025 and 2024, respectively.

4. Property and Equipment, Net

At fiscal year-end, property and equipment consist of the following:

<i>September 30,</i>	2025	2024
Leasehold improvements	\$ 17,991,698	\$ 17,756,751
Software development	5,525,792	5,245,825
Computer equipment	3,683,905	3,262,331
Satellite	1,518,938	81,436,916
Furniture and equipment	1,297,713	1,296,483
Building	393,319	393,319
Construction-in-progress	100,059	292,880
	30,511,424	109,684,505
Less: accumulated depreciation and amortization	(21,950,640)	(29,557,450)
	\$ 8,560,784	\$ 80,127,055

Depreciation and amortization expense was \$14,185,464 and \$11,558,007 for the fiscal years 2025 and 2024, respectively.

In June 2025, EDF lost contact with the MethaneSAT satellite, rendering the asset no longer operational. As a result, an impairment loss of \$58,201,467 was recognized in 2025, representing the portion of the asset that is no longer in use. This impairment loss is presented as asset impairment loss in the consolidated statement of activities for the year ended September 30, 2025. From November 2025 through January 2026, EDF received insurance recoveries amounting to \$15,900,000, which is presented as insurance recovery in the consolidated statement of activities

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for the year ended September 30, 2025 and insurance receivable in the consolidated statement of financial position at September 30, 2025.

5. Investments, at Fair Value

The following tables summarize the investments at fiscal year-end, in accordance with the fair value valuation levels:

September 30, 2025

	Level 1	Level 2	Total
Money market funds and cash with brokers	\$ 163,260,327	\$ -	\$ 163,260,327
Equities	15,261,072	-	15,261,072
Fixed income	-	72,599,020	72,599,020
Other investments - subject to split-interest agreements	2,191,717	2,224,686	4,416,403
	<u>\$ 180,713,116</u>	<u>\$ 74,823,706</u>	255,536,822
Other investments - subject to split-interest agreements*			10,457,492
Funds valued at NAV or equivalent*			<u>300,817</u>
Total			\$ 266,295,131

September 30, 2024

	Level 1	Level 2	Total
Money market funds and cash with brokers	\$ 85,843,565	\$ -	\$ 85,843,565
Equities	14,845,430	-	14,845,430
Fixed income	-	17,654,937	17,654,937
Other investments - subject to split-interest agreements	1,971,806	2,040,250	4,012,056
	<u>\$ 102,660,801</u>	<u>\$ 19,695,187</u>	122,355,988
Other investments - subject to split-interest agreements*			9,220,492
Funds valued at NAV or equivalent*			<u>350,675</u>
Total			\$ 131,927,155

* Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been recognized in the fair value hierarchy. The fair value amounts presented in the preceding tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The following is a description of the valuation methodologies and inputs used for investments. There have been no changes in the methodologies for the years ended September 30, 2025 and 2024.

Equity securities are valued based upon quoted market prices and are included in Level 1. Level 1 securities primarily include publicly traded equity securities.

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Since many fixed-income securities do not trade on a daily basis, the methodology of the pricing vendor uses available information as applicable, such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. The pricing vendor considers available market observable inputs in determining the evaluation for a security. Thus, certain securities may not be priced using quoted prices, but rather determined from market observable information. These investments are included in Level 2 and are primarily comprised of corporate fixed income, and government, mortgage, and asset-backed securities.

EDF uses the NAV or its equivalent to determine the fair value of all investments that (i) do not have a readily determinable fair value and (ii) prepare its investees' financial statements consistent with the measurement principles of an investment company or an entity with the attributes of an investment company. Investments for which fair value is measured using NAV per share or its equivalent as a practical expedient have not been categorized within the fair value hierarchy, and certain related tables have been appropriately excluded from the consolidated financial statements.

Money market funds are valued based on the NAV of the shares held by EDF. NAV is based upon the fair value of the money market fund's underlying investments. EDF's investments in the money market funds can be redeemed immediately at the current NAV per share. There were no unfunded commitments as of September 30, 2025 and 2024.

EDF's investments are subject to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

The available market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period. During the fiscal years 2025 and 2024, there were no transfers between the fair value hierarchy levels.

The following tables summarize investment return by net asset classification:

September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and interest	\$ 8,209,853	\$ 925,400	\$ 9,135,253
Realized and unrealized gains	2,626,737	176,627	2,803,364
Investment Income	\$ 10,836,590	\$ 1,102,027	\$ 11,938,617

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September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and interest	\$ 3,654,585	\$ 431,858	\$ 4,086,443
Realized and unrealized gains	2,733,563	3,591,129	6,324,692
Investment Income	\$ 6,388,148	\$ 4,022,987	\$ 10,411,135

The following tables provide a summary of the class, fair value redemption frequency, and redemption notice period for those assets whose fair value is estimated using the NAV per share or its equivalent for which the fair value is not readily determinable:

September 30, 2025

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Funds valued at NAV or equivalent*	\$ 300,817	\$ -	**	**
Other investments - split-interest agreements*	10,457,492	-	***	***

September 30, 2024

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Funds valued at NAV or equivalent*	\$ 350,675	\$ -	**	**
Other investments - split-interest agreements*	9,220,492	-	***	***

* For the funds valued at NAV or equivalent, the investment objective is to invest in funds with underlying investments in technology companies primarily in the digital, green tech, and health care and biotechnology sectors. These investments are long-term and highly illiquid. The investment objective of the funds at NAV for the split-interest agreements is to approximate, as closely as practicable before expenses, the performance of the respective investment indexes over the long term.

** Redemptions are not permitted; as a result, there is no applicable notice period.

*** There are no restrictions on the redemption of these investments.

6. Net Assets with Donor Restrictions and Released from with Donor Restrictions

At September 30, 2025 and 2024, donor-restricted net assets (including allocation of investment gains and losses) included the following: specific donor program purposes and time-restricted endowments were \$282,539,414 and \$254,040,309, respectively; permanently restricted endowments were \$10,203,065 and \$10,174,413, respectively; and accumulated endowment earnings awaiting appropriation for expenditure were \$10,995,902 and \$10,347,759, respectively. During fiscal years 2025 and 2024, net assets released from restrictions were \$222,858,178 and \$178,175,169, respectively.

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7. Employee Retirement Plans

EDF Inc. maintains a 403(b) tax-deferred retirement plan, which is funded by contributions from both EDF and its employees. EDF Inc.'s contribution is based upon employees' years of service, ranges from 3% to 8% of eligible employees' salaries, and is recorded as an expense annually. The related expense for the fiscal years 2025 and 2024 was approximately \$5,467,000 and \$5,592,000, respectively.

EDF Inc. established a 457(b) deferred-compensation plan for certain key employees that is funded by both EDF Inc. and the employees. As such, the investment allocations are directed by the employees, but the investments remain as assets of EDF Inc. until the employees retire. At September 30, 2025 and 2024, the asset value of this plan was \$8,260,701 and \$7,608,997, respectively.

8. Joint Costs

EDF Inc. has allocated joint costs (for informational materials and activities that include fundraising appeals) among program and supporting services, as follows:

<i>Year ended September 30,</i>	2025	2024
Fundraising and development	\$ 7,895,981	\$ 8,717,680
Stabilize the Climate	1,959,859	1,767,220
Strengthen People's and Nature's Ability to Thrive	1,744,321	1,623,789
Support People's Health	1,744,321	1,546,557
Core Capacities and Education	1,474,899	1,546,558
Regionally Focused Work	1,205,478	1,325,895
	\$ 16,024,859	\$ 16,527,699

The portion of costs allocated to membership activities consists of the component of membership mailings that contain information about EDF Inc. and the types of actions an individual may take regarding a specific issue. New-member acquisition reflects the cost of materials and information that requests individuals to join EDF Inc. Membership fundraising is the component of joint costs associated with asking EDF Inc.'s current members for contributions. Additional fundraising activities that included program information were not eligible for allocation under GAAP and were treated exclusively as membership fundraising or new-member acquisition expense.

9. Concentrations of Credit Risk

Cash, cash equivalents, and investments are exposed to various risks, such as interest rate, market, and credit risks. To manage such risks, EDF has a diversified investment portfolio in a variety of asset classes managed by independent investment managers under the terms of an investment policy statement that is reviewed by the Finance Committee. EDF's cash, cash equivalents, and investments are placed with high-credit-quality financial institutions. EDF's Finance Committee meets regularly to evaluate the investments, including performance thereof. Due to inherent risks and potential volatility in investment valuations, the amounts reported on the accompanying consolidated financial statements can vary substantially from year to year. EDF maintains its cash in various bank deposit accounts that exceed federally insured limits; however, EDF does not anticipate nonperformance by these financial institutions.

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As of September 30, 2025, approximately 44% of the total revenue was received from EDF Inc.'s ten highest donors, also ten donors collectively comprise 77% of the total receivables. As of September 30, 2024, approximately 39% of the total revenue was received from EDF Inc.'s ten highest donors, also ten donors collectively comprise 63% of the total receivables.

10. Commitments and Contingency

Governmental Audits

Government-funded activities are subject to audit by the applicable granting agencies. At September 30, 2025 and 2024, there were no material obligations outstanding as a result of such audits, and management believes that no material obligations will result from any future audits of such activities.

Litigation

EDF is, from time to time, subject to legal actions in the normal course of business. In the opinion of EDF's management, as of September 30, 2025 and 2024, the eventual resolution of these matters will not materially affect the financial position, cash flows, or change in net assets of EDF.

Line of Credit

At September 30, 2024, EDF Inc. had an unsecured line of credit of \$7,500,000 for ongoing operational requirements. The line of credit had a \$2,000,000 letter of credit sublimit, of which \$186,758 was used to secure the issuance of a standby letter of credit. The line of credit expired in March 2025 and there was no line of credit at September 30, 2025.

11. Leases

Leases are classified as either finance or operating leases based on the underlying terms of the agreement and the criteria included in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases* (ASC 842). EDF's leases are accounted for as operating and finance leases. Additionally, EDF is a sublessor of certain of its property leases. The property leases for which EDF is a sublessor are accounted for as operating leases under the lessor accounting model.

Policy Elections

Under ASC 842, an entity may elect various practical expedients that were inserted into the lease accounting standard to make the new standard easier to adopt. A practical expedient is a practical application of an exception to a rule that makes the transition to the new lease accounting standard more expedient. EDF's practical expedient and policy elections for adoption of the new standard are as follows:

- *Lease Components* - EDF has elected to not separate the non-lease components from the associated lease components.
- *Contracts* - EDF has elected to not reassess whether any expired or existing contracts contain leases.
- *Lease Classification* - EDF has elected to not reassess the lease classification for any expired or existing leases.

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- *Discount Rate* - A lessee is required to measure and record a lease liability equal to the present value of the remaining lease payments, discounted using the rate implicit in the lease (or if the rate cannot be readily determined, the lessee's incremental borrowing rate). A lessee that is not a public business entity is permitted to use a risk-free discount rate for the lease, determined using a period comparable with that of the lease term, as an accounting policy election for all leases. As none of EDF's property leases have an interest rate implicit in the lease, EDF elected to use the risk-free rate for all property leases. EDF utilized the rate implicit in the lease for its equipment lease.
- *Short-Term Leases* - The standard practical expedient for short-term leases allows entities that have leases with terms of 12 months or less to be excluded from presentation on the consolidated statements of financial position. EDF has elected the short-term practical expedient for certain leases.

Operating Leases - Lessee

EDF leases office space, which EDF accounts for as operating leases, and recognized a right-of-use (ROU) asset and liability on its consolidated statements of financial position, measured at the present value of the minimum lease payments.

EDF's leases include multiple optional renewal periods. Generally, EDF does not consider any additional renewal periods to be reasonably certain of being exercised, as comparable locations could be identified within the same trade areas with comparable lease rates.

Operating lease ROU assets are recorded in ROU assets, operating leases, and operating lease liabilities are recorded in lease liabilities, operating leases, in the consolidated statements of financial position.

The following table reconciles the undiscounted operating lease payments to the lease liabilities recorded on the consolidated statement of financial position at September 30, 2025:

Year ending September 30,

2026	\$	6,940,863
2027		6,870,413
2028		6,173,511
2029		5,806,507
2030		5,688,639
Thereafter		29,171,907
Total Minimum Lease Payments		60,651,840
Less: interest		(11,179,235)
Present Value of Net Minimum Lease Payments	\$	49,472,605

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Finance Leases - Lessee

EDF leases certain office equipment, which EDF accounted for as a finance lease, and recognized an ROU asset and liability on its consolidated statements of financial position, measured at the present value of the minimum lease payments. Generally, EDF does not consider any additional renewal periods to be reasonably certain of being exercised, as comparable locations could be identified within the same trade areas with comparable lease rates.

Finance lease ROU assets are recorded in ROU assets, finance lease, and finance lease liabilities are recorded in lease liabilities, finance lease, in the consolidated statements of financial position.

Other Lessee Disclosures

The following tables summarize information related to the lease assets and liabilities:

<i>Year ended September 30,</i>	2025	2024
Lease costs:		
Finance lease cost:		
Amortization of ROU assets	\$ 53,584	\$ 53,584
Interest on lease liabilities	3,768	3,768
Operating lease cost	7,857,856	9,002,676
Total Lease Costs	\$ 7,915,208	\$ 9,060,028

<i>Year ended September 30,</i>	2025	2024
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ (2,340,044)	\$ 7,585,099
Financing cash flows from finance leases	55,967	57,317

<i>Year ended September 30,</i>	2025	2024
Weighted-average remaining lease term - finance leases	-	1 year
Weighted-average discount rate - finance leases	-	4.42%
Weighted-average remaining lease term - operating leases	9.92 years	11.34 years
Weighted-average discount rate - operating leases	4.32%	4.12%

Lessor Disclosures

EDF signed an agreement to sublet a portion of the space to an unrelated entity.

EDF's sublease is accounted for as an operating lease under the lessor accounting model. For a sublease that has been classified as an operating lease under ASC 842, a sublessor would recognize the lease payments as income in profit or loss over the sublease term on a straight-line basis unless another systematic and rational basis is more representative of the pattern in which benefit is expected to be derived from the use of the underlying asset. EDF followed the guidance in ASC 842 and recognized the lease payments as income during the fiscal year 2025 on a straight-line basis. Sublease rental income for the years ended September 30, 2025 and 2024 was \$109,681 and

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\$413,229, respectively, and is included in fees, royalties, and other income in the consolidated statement of activities.

12. With Donor Restrictions - Permanently Restricted by Corpus

The Endowment

EDF Inc.'s permanent endowment consists of numerous funds, established for a variety of purposes and consisting entirely of donor-restricted funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Return Objectives and Risk Parameters

EDF Inc. has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board, the endowment assets are invested with a focus on earning market returns or better while assuming a moderate level of investment risk.

Spending Policy and How the Investment Objectives Relate to Spending Policy

EDF Inc. has a policy of annually appropriating for expenditure an amount of up to 5% of the average fair market value of the donor-restricted endowment, measured as of the last day of the calendar quarter for the 20 quarters immediately preceding the fiscal year in which the appropriation for expenditure is approved. In establishing this policy, EDF Inc.'s management has considered the long-term expected return on its endowment. This is consistent with EDF Inc.'s objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return. Accumulated earnings not yet appropriated for expenditure, which are expected to be appropriated in the next fiscal year, are \$525,000 and \$400,000 for the years ended September 30, 2025 and 2024, respectively.

Endowment Net Asset Composition

<i>September 30,</i>	2025	2024
Donor-restricted endowment funds - permanent	\$ 10,203,065	\$ 10,174,413
Accumulated earnings not yet appropriated for expenditure - temporary	10,995,902	10,347,759
Total Funds	\$ 21,198,967	\$ 20,522,172

Changes in Endowment Net Assets by Fiscal Year

<i>Year ended September 30,</i>	2025	2024
Net Assets , beginning of year	\$ 20,522,172	\$ 16,536,936
Current-year additions	28,652	357,588
Investment returns	1,122,223	4,022,987
Current-year appropriation for expenditures	(474,080)	(395,339)
Net Assets , end of year	\$ 21,198,967	\$ 20,522,172

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Interpretation of Relevant Law

NYPMIFA is applicable to EDF Inc.'s donor-restricted endowment funds. Due to unfavorable market fluctuations, from time to time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historical dollar value of the donor's original, permanently restricted contribution. Under the terms of NYPMIFA, EDF Inc. has no responsibility to restore such decrease in value. There were no such deficiencies in the fiscal years 2025 and 2024.

13. Conditional Grants

EDF has grant agreements with several donors that consist of providing conditional funding in future years, amounting to approximately \$56,541,000 and \$51,189,000 at September 30, 2025 and 2024, respectively. A corresponding receivable has not been recorded on the consolidated statements of financial position, as the conditional grants are contingent upon incurring qualifying expenditures and fulfilling milestones. Conditional promises to give are recognized when the conditions on which they depend upon are substantially met. Until that point, any amounts that are received are recorded as refundable advances.