

**CONSOLIDATED FINANCIAL STATEMENTS**



**AND AFFILIATES**

**FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2018**

# IDINSIGHT, INC. AND AFFILIATES

## CONTENTS

|   | <b>PAGE NO.</b> |
|---|-----------------|
| INDEPENDENT AUDITOR'S REPORT  | 2 - 3           |
| EXHIBIT A - Consolidated Statement of Financial Position, as of December 31, 2019, with Summarized Financial Information for 2018                               | 4               |
| EXHIBIT B - Consolidated Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2019, with Summarized Financial Information for 2018 | 5               |
| EXHIBIT C - Consolidated Statement of Functional Expenses, for the Year Ended December 31, 2019, with Summarized Financial Information for 2018                 | 6               |
| EXHIBIT D - Consolidated Statement of Cash Flows, for the Year Ended December 31, 2019, with Summarized Financial Information for 2018                          | 7               |
| NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  | 8 - 14          |



**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
IDinsight, Inc. and Affiliates  
San Francisco, California

We have audited the accompanying consolidated financial statements of IDinsight, Inc. and Affiliates (together, "IDinsight"), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of IDinsight as of December 31, 2019, and the consolidated change in its net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

4550 MONTGOMERY AVENUE · SUITE 800 NORTH · BETHESDA, MARYLAND 20814  
(301) 951-9090 · WWW.GRFCPA.COM

---

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

### **Report on Summarized Comparative Information**

The prior year summarized comparative information has been derived from IDinsight's 2018 financial statements, which were audited by other auditors and, in their report dated August 9, 2019, they expressed an unmodified opinion on those statements.

*Gelman Rosenberg & Friedman*

November 6, 2020

## IDINSIGHT, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

|  | <u>2019</u>                | <u>2018</u>                |
|--|----------------------------|----------------------------|
| <b>ASSETS</b>  |                            |                            |
| <b>CURRENT ASSETS</b>  |                            |                            |
| Cash and cash equivalents  | \$ 3,669,607               | \$ 4,364,987               |
| Accounts receivable, net of allowance for doubtful accounts in the amount of \$122,863 | 1,496,067                  | 975,803                    |
| Employee and other receivables   | 89,611                     | 48,206                     |
| Unconditional promises to give   | 3,446,432                  | 150,000                    |
| Prepaid expenses and deposits  | 117,645                    | 91,585                     |
| Prepaid taxes and deferred tax asset   | <u>250,330</u>             | <u>232,769</u>             |
| Total current assets   | <u>9,069,692</u>           | <u>5,863,350</u>           |
| <b>PROPERTY AND EQUIPMENT</b>  |                            |                            |
| Equipment  | 68,444                     | 54,512                     |
| Furniture  | 45,747                     | 30,626                     |
| Vehicles   | <u>8,013</u>               | <u>8,544</u>               |
|  | 122,204                    | 93,682                     |
| Less: Accumulated depreciation   | <u>(64,241)</u>            | <u>(36,696)</u>            |
| Net property and equipment   | <u>57,963</u>              | <u>56,986</u>              |
| <b>NONCURRENT ASSETS</b>   |                            |                            |
| Unconditional promises to give, net of current portion                                 | <u>550,000</u>             | <u>95,694</u>              |
| <b>TOTAL ASSETS</b>  | <b><u>\$ 9,677,655</u></b> | <b><u>\$ 6,016,030</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>  |                            |                            |
| <b>CURRENT LIABILITIES</b>   |                            |                            |
| Accounts payable and accrued expenses  | \$ 684,338                 | \$ 155,204                 |
| Accrued salaries and related benefits  | 548,246                    | 456,323                    |
| Deferred consulting income   | <u>318,999</u>             | <u>3,063,828</u>           |
| Total liabilities  | <u>1,551,583</u>           | <u>3,675,355</u>           |
| <b>NET ASSETS</b>  |                            |                            |
| Without donor restrictions   | 2,839,080                  | 2,094,981                  |
| With donor restrictions  | <u>5,286,992</u>           | <u>245,694</u>             |
| Total net assets   | <u>8,126,072</u>           | <u>2,340,675</u>           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  | <b><u>\$ 9,677,655</u></b> | <b><u>\$ 6,016,030</u></b> |

## IDINSIGHT, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

|  | 2019                             |                            |                            | 2018                       |
|--|----------------------------------|----------------------------|----------------------------|----------------------------|
|  | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total                      | Total                      |
| <b>SUPPORT AND REVENUE</b>                     |                                  |                            |                            |                            |
| Grants and contributions                       | \$ 1,905,978                     | \$ 13,549,043              | \$ 15,455,021              | \$ 62,145                  |
| Consulting income                              | 3,660,830                        | -                          | 3,660,830                  | 8,962,804                  |
| Interest income                                | 838                              | -                          | 838                        | 41,142                     |
| Contributed services                           | 84,235                           | -                          | 84,235                     | -                          |
| Other revenue                                  | 2,612                            | -                          | 2,612                      | 3,400                      |
| Net assets released from donor<br>restrictions | <u>8,507,745</u>                 | <u>(8,507,745)</u>         | <u>-</u>                   | <u>-</u>                   |
| Total support and<br>revenue                   | <u>14,162,238</u>                | <u>5,041,298</u>           | <u>19,203,536</u>          | <u>9,069,491</u>           |
| <b>EXPENSES</b>                                |                                  |                            |                            |                            |
| Program Services                               | <u>11,573,007</u>                | <u>-</u>                   | <u>11,573,007</u>          | <u>8,300,664</u>           |
| Supporting Services:                           |                                  |                            |                            |                            |
| Management and General                         | 1,753,058                        | -                          | 1,753,058                  | 1,655,438                  |
| Fundraising                                    | <u>92,074</u>                    | <u>-</u>                   | <u>92,074</u>              | <u>7,574</u>               |
| Total supporting<br>services                   | <u>1,845,132</u>                 | <u>-</u>                   | <u>1,845,132</u>           | <u>1,663,012</u>           |
| Total expenses                                 | <u>13,418,139</u>                | <u>-</u>                   | <u>13,418,139</u>          | <u>9,963,676</u>           |
| Change in net assets                           | 744,099                          | 5,041,298                  | 5,785,397                  | (894,185)                  |
| Net assets at beginning of year                | <u>2,094,981</u>                 | <u>245,694</u>             | <u>2,340,675</u>           | <u>3,234,860</u>           |
| <b>NET ASSETS AT END OF YEAR</b>               | <b><u>\$ 2,839,080</u></b>       | <b><u>\$ 5,286,992</u></b> | <b><u>\$ 8,126,072</u></b> | <b><u>\$ 2,340,675</u></b> |

## IDINSIGHT, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

|                                       | 2019                 |                              |                  |                                 | 2018                 |                     |
|---------------------------------------|----------------------|------------------------------|------------------|---------------------------------|----------------------|---------------------|
|                                       | Supporting Services  |                              |                  | Total<br>Supporting<br>Services | Total<br>Expenses    | Total<br>Expenses   |
|                                       | Program<br>Services  | Management<br>and<br>General | Fundraising      |                                 |                      |                     |
| Personnel                             | \$ 7,871,137         | \$ 957,278                   | \$ 85,233        | \$ 1,042,511                    | \$ 8,913,648         | \$ 6,959,184        |
| Subcontracts                          | 1,783,451            | -                            | -                | -                               | 1,783,451            | 771,275             |
| Local travel                          | 556,333              | 34,731                       | 55               | 34,786                          | 591,119              | 631,692             |
| Office                                | 518,742              | 62,492                       | 135              | 62,627                          | 581,369              | 332,815             |
| Rent and utilities                    | 18,622               | 338,903                      | -                | 338,903                         | 357,525              | 281,883             |
| International travel                  | 277,669              | 44,765                       | 1,317            | 46,082                          | 323,751              | 336,615             |
| Professional fees                     | 96,806               | 194,251                      | 5,189            | 199,440                         | 296,246              | 230,210             |
| Taxes                                 | 219,398              | -                            | -                | -                               | 219,398              | -                   |
| Equipment and supplies                | 99,257               | 76,512                       | -                | 76,512                          | 175,769              | 257,467             |
| Professional development and training | 72,288               | 38,152                       | 145              | 38,297                          | 110,585              | 123,003             |
| Miscellaneous                         | 29,764               | 5,974                        | -                | 5,974                           | 35,738               | 22,241              |
| Depreciation                          | 29,540               | -                            | -                | -                               | 29,540               | 17,291              |
| <b>TOTAL</b>                          | <b>\$ 11,573,007</b> | <b>\$ 1,753,058</b>          | <b>\$ 92,074</b> | <b>\$ 1,845,132</b>             | <b>\$ 13,418,139</b> | <b>\$ 9,963,676</b> |

See accompanying notes to consolidated financial statements.

## IDINSIGHT, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

|   | <u>2019</u>                | <u>2018</u>                |
|---|----------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                            |                            |
| Change in net assets  | \$ 5,785,397               | \$ (894,185)               |
| Adjustments to reconcile change in net assets to net cash used by operating activities: |                            |                            |
| Depreciation  | 29,540                     | 17,291                     |
| Change in allowance for bad debt  | 53,177                     | -                          |
| (Increase) decrease in:   |                            |                            |
| Accounts receivable   | (573,441)                  | (147,980)                  |
| Employee and other receivables  | (41,405)                   | (34,616)                   |
| Unconditional promises to give  | (3,750,738)                | 692,170                    |
| Prepaid expenses and deposits   | (26,060)                   | (12,776)                   |
| Prepaid taxes and deferred tax asset  | (17,561)                   | (147,524)                  |
| Increase (decrease) in:   |                            |                            |
| Accounts payable and accrued expenses   | 529,134                    | (36,229)                   |
| Accrued salaries and related benefits   | 91,923                     | 75,815                     |
| Deferred consulting income  | <u>(2,744,829)</u>         | <u>(1,124,390)</u>         |
| Net cash used by operating activities   | <u>(664,863)</u>           | <u>(1,612,424)</u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                            |                            |
| Purchases of fixed assets   | <u>(30,517)</u>            | <u>(29,057)</u>            |
| Net cash used by investing activities   | <u>(30,517)</u>            | <u>(29,057)</u>            |
| Net decrease in cash and cash equivalents   | (695,380)                  | (1,641,481)                |
| Cash and cash equivalents at beginning of year  | <u>4,364,987</u>           | <u>6,006,468</u>           |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>   | <b><u>\$ 3,669,607</u></b> | <b><u>\$ 4,364,987</u></b> |



## IDINSIGHT, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2019

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

IDinsight, Inc. is an international non-governmental organization that helps policymakers and managers make socially impactful decisions using rigorous evidence. IDinsight, Inc.'s core service tailors experimental evaluation methodologies to meet the priorities of policymakers and managers in international development. Other services, such as policy design consulting and scale-up support, complement the evaluation activities to provide comprehensive support for clients who want to maximize their social impact through evidence-based decision-making. IDinsight, Inc.'s vision is to improve millions of lives by transforming how the social sector innovates, learns, and improves.

IDinsight India Private Limited was incorporated in May 2013 as a Private Limited Company under the Companies Act, 1956. 99.9% of the stock of ID Insight India is owned by IDinsight, Inc. IDinsight India Private Limited focuses on providing consultancy services for charitable and educational purposes and to provide assistance to organizations and institutions which are involved in social work by providing services in areas including program design and data analysis to improve the quality of development programs offered by such organizations and institutions.

IDinsight Kenya Limited, was incorporated as a private company limited by shares in February 2016, and is wholly owned by IDinsight, Inc.

IDinsight Zambia Ltd was incorporated as a company limited by guarantee in May 2012. The company was registered as an NGO in October 2014 as a non-governmental organization. IDinsight, Inc. and IDinsight Kenya Limited are the corporate members of the company.

IDinsight SAS was incorporated in Senegal as a simplified joint stock company in August 2017, and is wholly owned by IDinsight, Inc.

IDinsight South Africa is a non profit company registered in September 2017. As a non-stock company the entity is controlled by its Board of Directors, which consists of employees of ID Insight, Inc.

IDinsight Philippines is a non-stock corporation registered in February 2018. As a non-stock company the entity is controlled by its Board of Directors, which consists of current and former employees of IDinsight, Inc.

##### Principles of consolidation -

The accounts of IDinsight have been consolidated with IDinsight India Private Limited, IDinsight Zambia Limited, IDinsight Kenya Private Limited, IDinsight Philippines, IDinsight Senegal, and IDinsight South Africa (together IDinsight) in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that financially interrelated organizations be consolidated. IDinsight, Inc. has a majority ownership interest in IDinsight India Private Limited. IDinsight, Inc. has both an economic interest in and control of IDinsight Zambia Limited, IDinsight Philippines, and IDinsight South Africa through a majority voting interest in its governing body. IDinsight, Inc. has a full ownership interest in IDinsight Kenya Private Limited, and IDinsight Senegal. All intercompany transactions and balances have been eliminated.

##### Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*.

## IDINSIGHT, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2019

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Basis of presentation (continued) -

As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions".
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from donor restrictions.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with IDinsight's consolidated financial statements for the year ended December 31, 2018, from which the summarized information was derived.

##### New accounting pronouncements adopted -

During 2019, IDinsight early adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way IDinsight recognized revenue; however, the presentation and disclosures of revenue have been enhanced. IDinsight has elected to opt out of all (or certain) disclosures not required for non public entities and also elected a modified retrospective approach for implementation.

Also during 2019, IDinsight adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. IDinsight adopted the ASU using a modified prospective basis.

##### Cash and cash equivalents -

IDinsight considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, IDinsight maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

## IDINSIGHT, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2019

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Cash and cash equivalents (continued) -

IDinsight had approximately \$767,157 of cash and cash equivalents held at financial institutions in foreign countries at December 31, 2019. The majority of funds invested in foreign countries are uninsured.

##### Receivables and unconditional promises to give -

Receivables and unconditional promises to give are recorded at their net realizable value, which approximates fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor or customer.

##### Property and equipment -

Property and equipment in excess of \$1,000 are capitalized and stated at cost. IDinsight India uses a threshold of INR 5,000 as set by the Companies Act. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. Depreciation expense for the year ended December 31, 2019 totaled \$29,540.

##### Income taxes -

IDinsight, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. IDinsight, Inc. is not a private foundation.

IDinsight India's principal activities are subject to local income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. IDinsight India has only been subject to minor amounts of income tax in prior periods, due to operating losses and loss carry-forwards. Including intercompany revenue earned on work performed on behalf of IDinsight Inc., the entity earned positive income at the India entity level, and accordingly an income tax provision has been recorded for amounts earned up to December 2019. These will be included in the return filed for the tax year ended March 31, 2020. Amounts previously withheld for TDS (Tax deducted at source) will reduce the amount due on filing of the return.

IDinsight Zambia Ltd, IDinsight SAS, IDinsight South Africa and IDinsight Kenya Limited's principal activities are subject to local income tax. Based on the current and past financial position of the entities, no provision for income taxes has been made in the consolidated financial statements.

IDinsight Philippines falls under the classification as defined by Section 30(E) of the Philippines National Internal Revenue Code, as amended, as one "organized and operated exclusively for religious, charitable, scientific, athletic, or cultural purposes, or for the rehabilitation of veterans, no part of its net income or asset shall belong to or inure to the benefit of any member, organizer, officer or any specific person." As such, IDinsight Philippines is not subject to the corporate income tax since all the income of IDinsight Philippines is devoted for its purpose/s and no part of its net income accrues to or benefits any member or specific person.

## IDINSIGHT, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2019

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Uncertain tax positions -

For the year ended December 31, 2019, IDinsight has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

##### Revenue -

IDinsight recognizes contracts and grants as either contributions or exchange transactions, depending on whether the transaction is reciprocal or nonreciprocal. For contributions, revenue is recognized when a contribution becomes unconditional. On occasion, contract and grant agreements contain a right of return or right of release from obligation provision and IDinsight has limited discretion over how funds transferred should be spent. As such, IDinsight recognizes revenue for these conditional contributions when the related barrier has been overcome.

For contracts and grants treated as contributions, IDinsight had approximately \$69,943 in unrecognized conditional contributions as of December 31, 2019. The revenue related to these awards is conditioned on incurring allowable expenditures under the terms of the agreements.

IDinsight receives contract and grant awards for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such awards are recorded as exchange transactions within the "without donor restrictions" to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

Of the total contracts and grants, approximately 23% were considered exchange transactions for the year ended December 31, 2019, and is included in Consulting Income.

##### Contributed services -

Contributed services consist of pro-bono legal services. Contributed services are recorded at their fair value as of the date of the gift.

##### Foreign currency translation -

The U.S. Dollar is the functional currency for IDinsight's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into dollars at the exchange rate in effect at the date of the Consolidated Statement of Financial Position.

##### Use of estimates -

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**IDINSIGHT, INC. AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributed to a specific functional area of IDinsight are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of time and effort.

**2. UNCONDITIONAL PROMISES TO GIVE**

As of December 31, 2019, contributors to IDinsight have made unconditional written promises to give, of which \$3,996,432, remained due and outstanding.

Following is a schedule of amounts due, by year, as of December 31, 2019:

|   |                            |
|---|----------------------------|
| Less than one year                          | \$ 3,446,432               |
| One to five years                           | <u>550,000</u>             |
| <b>TOTAL UNCONDITIONAL PROMISES TO GIVE</b> | <b><u>\$ 3,996,432</u></b> |

**3. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31, 2019:

|   |                            |
|---|----------------------------|
| Subject to expenditure for specified purpose:   |                            |
| Project support                                 | \$ 4,020,980               |
| General operating and other non project support | <u>1,266,012</u>           |
| <b>NET ASSETS WITH DONOR RESTRICTIONS</b>       | <b><u>\$ 5,286,992</u></b> |

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

|  |                            |
|--|----------------------------|
| Purpose restrictions accomplished:                 |                            |
| Project support                                    | \$ 8,473,757               |
| General operating and other non project support    | <u>33,988</u>              |
| <b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b> | <b><u>\$ 8,507,745</u></b> |

## IDINSIGHT, INC. AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2019

#### 4. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position date comprise the following:

|   |                            |
|---|----------------------------|
| Cash and cash equivalents   | \$ 3,669,607               |
| Accounts receivable   | 1,496,067                  |
| Employee and other receivables  | 89,611                     |
| Unconditional promises to give, current   | <u>3,446,432</u>           |
| Subtotal financial assets available within one year   | 8,701,717                  |
| Less: Donor restricted funds  | <u>(4,736,992)</u>         |
| <b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS<br/>FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b> | <b>\$ <u>3,964,725</u></b> |

IDinsight has a policy to ensure financial assets are on hand to meet all obligations as they become due, and plans for sufficient cash to accommodate unexpected events and/or unplanned adjustments in timing of cash flows. As of December 31, 2019, IDinsight has financial assets equal to approximately three months of operating expenses.

#### 5. LEASE COMMITMENTS

IDinsight has various operating leases for office space. The leases are generally for two years or less. Rent expense under operating leases for the year ended December 31, 2019 total \$287,775 and is included in rent and utilities on the Consolidated Statement of Functional Expenses.

As of December 31, 2019, there were no operating leases with terms that extended one year past the date of the Consolidated Statement of Financial Position.

#### 6. RETIREMENT PLAN

IDinsight, Inc. sponsors a 401(k) Plan (the Plan) for employees who have worked for IDinsight, Inc. for more than one year. Employees are entitled to a 2% match on their salary. Contributions to the Plan during the year ended December 31, 2019 totaled \$48,723 and is included in personnel expense on the Consolidated Statement of Functional Expenses.

IDinsight India makes contributions to the Employee Provident Fund (EPF) of 6% of the gross pay for Indian nationals and 9% to 10% of the gross pay for the International workers, which are dealt as a defined contribution plan. Deductions of an equivalent amount are made for all Indian and International workers, are made and submitted monthly to the EPF Authority. Obligations for contributions to the defined contribution plan are recognized in the period during which the related services are rendered by employees. Contributions during the year ended December 31, 2019 are included in personnel expense on the Consolidated Statement of Functional Expenses.

IDinsight Kenya makes contributions to the National Social Security Fund of approximately \$10 per month per employee, which is dealt as a defined contribution plan. An equivalent amount is contributed from employee salaries. Obligations for contributions to the defined contribution plan are recognized in the period during which the related services are rendered by employees. Contributions during the year ended December 31, 2019 are included in personnel expense on the Consolidated Statement of Functional Expenses.

## **IDINSIGHT, INC. AND AFFILIATES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2019**

#### **6. RETIREMENT PLAN (Continued)**

IDinsight Zambia Limited makes contributions to the Zambia National Pension Scheme Authority of 5% (up to a cap) which are dealt as a defined contribution plan. Deductions are made from all Zambian employees (but who are not more than 55 years old), and submitted to the Authority. Obligations for contributions to the defined contribution plan are recognized in the period during which the related services are rendered by employees. Contributions during the year ended December 31, 2019 are included in personnel expense on the Consolidated Statement of Functional Expenses.

IDinsight Senegal makes contributions to Institution de Prévoyance Retraite du Sénégal (IPRES) of 5.6% of gross salary per month subject to a cap, which is dealt as a defined contribution plan. An amount of 8.4% of gross salary subject to a cap is deducted from employees. Obligations for contributions to the defined contribution plan are recognized in the period during which the related services are rendered by employees. Contributions during the year ended December 31, 2019 are included in personnel expense on the Consolidated Statement of Functional Expenses.

IDinsight Philippines makes contributions to Social Security System (SSS) of 8.15% of gross salary up to a cap, which is dealt as a defined contribution plan. An amount of 4% of gross salary subject to a cap is deducted from employees. Obligations for contributions to the defined contribution plan are recognized in the period during which the related services are rendered by employees. Contributions during the year ended December 31, 2019 are included in personnel expense on the Consolidated Statement of Functional Expenses.

#### **7. SUBSEQUENT EVENTS**

In preparing these consolidated financial statements, IDinsight has evaluated events and transactions for potential recognition or disclosure through November 6, 2020, the date the consolidated financial statements were issued.

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact IDinsight's operations. The overall potential impact is unknown at this time.

On April 29, 2020, IDinsight, Inc. entered into a two-year promissory note agreement in the amount of \$412,727 with a 1% fixed interest rate under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part.