

CONSOLIDATED FINANCIAL STATEMENTS



AND AFFILIATES

**FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2020**

IDINSIGHT, INC. AND AFFILIATES

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of IDinsight, Inc. and affiliates (collectively, IDinsight), which comprise the consolidated statement of financial position as of December 31, 2021, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of IDinsight as of December 31, 2021, and the consolidated change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated 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 IDinsight's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Auditor's Responsibilities for the Audit of the Consolidated 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.

We did not audit the financial statements of IDinsight India, which statements reflect total assets of \$1,274,945 as of December 31, 2021 and total support and revenues of \$3,506,702 for the year ended December 31, 2021. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 IDinsight'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 IDinsight'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.

Report on Summarized Comparative Information

We have previously audited IDinsight's 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



September 13, 2022

IDINSIGHT, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 30,869,341	\$ 10,971,507
Investments	1,748	-
Accounts receivable, net of allowance for doubtful accounts in the amount of \$30,947	1,699,610	1,563,044
Employee and other receivables	113,092	26,967
Promises to give	2,881,125	6,796,429
Prepaid expenses and deposits	228,924	107,766
Prepaid taxes and deferred tax asset	<u>-</u>	<u>144,287</u>
Total current assets	<u>35,793,840</u>	<u>19,610,000</u>
PROPERTY AND EQUIPMENT		
Equipment	51,000	77,124
Furniture	59,494	74,553
Computer equipment	90,381	-
Vehicles	<u>7,494</u>	<u>6,896</u>
	208,369	158,573
Less: Accumulated depreciation	<u>(68,032)</u>	<u>(88,306)</u>
Net property and equipment	<u>140,337</u>	<u>70,267</u>
NONCURRENT ASSETS		
Promises to give, net of current portion and discount in the amount of \$19,803	<u>2,359,197</u>	<u>1,491,407</u>
TOTAL ASSETS	<u>\$ 38,293,374</u>	<u>\$ 21,171,674</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Loan payable	\$ -	\$ 412,727
Accounts payable and other liabilities	725,625	626,297
Accrued salaries and related benefits	614,693	544,326
Deferred income	<u>165,194</u>	<u>540,030</u>
Total liabilities	<u>1,505,512</u>	<u>2,123,380</u>
NET ASSETS		
Without donor restrictions	20,061,892	5,623,510
With donor restrictions	<u>16,725,970</u>	<u>13,424,784</u>
Total net assets	<u>36,787,862</u>	<u>19,048,294</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 38,293,374</u>	<u>\$ 21,171,674</u>

See accompanying notes to consolidated financial statements.

IDINSIGHT, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Grants and contributions	\$ 13,369,610	\$ 10,834,710	\$ 24,204,320	\$ 16,120,965
Consulting income	5,557,175	-	5,557,175	5,550,027
Other revenue	87,807	-	87,807	1,143
Contributed services	76,355	-	76,355	118,911
Interest income	558	-	558	4,101
Net assets released from donor restrictions	<u>7,533,524</u>	<u>(7,533,524)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>26,625,029</u>	<u>3,301,186</u>	<u>29,926,215</u>	<u>21,795,147</u>
EXPENSES				
Program Services	<u>9,638,866</u>	<u>-</u>	<u>9,638,866</u>	<u>8,586,874</u>
Supporting Services:				
Management and General	2,646,560	-	2,646,560	2,041,292
Fundraising	<u>313,948</u>	<u>-</u>	<u>313,948</u>	<u>244,759</u>
Total supporting services	<u>2,960,508</u>	<u>-</u>	<u>2,960,508</u>	<u>2,286,051</u>
Total expenses	<u>12,599,374</u>	<u>-</u>	<u>12,599,374</u>	<u>10,872,925</u>
Change in net assets before other item	14,025,655	3,301,186	17,326,841	10,922,222
OTHER ITEM				
Forgiveness of debt	<u>412,727</u>	<u>-</u>	<u>412,727</u>	<u>-</u>
Change in net assets after other item	14,438,382	3,301,186	17,739,568	10,922,222
Net assets at beginning of year	<u>5,623,510</u>	<u>13,424,784</u>	<u>19,048,294</u>	<u>8,126,072</u>
NET ASSETS AT END OF YEAR	<u>\$ 20,061,892</u>	<u>\$ 16,725,970</u>	<u>\$ 36,787,862</u>	<u>\$ 19,048,294</u>

IDINSIGHT, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	2021				2020	
	Program Services	Supporting Services		Total Supporting Services	Total Expenses	Total Expenses
		Management and General	Fundraising			
Personnel	\$ 7,329,734	\$ 1,526,616	\$ 296,665	\$ 1,823,281	\$ 9,153,015	\$ 8,177,557
Subcontracts	490,587	-	-	-	490,587	780,756
Professional fees	305,350	440,518	-	440,518	745,868	627,085
Office	496,424	493,364	13,285	506,649	1,003,073	525,375
Rent and utilities	24,508	102,760	-	102,760	127,268	210,869
Local travel	251,238	7,784	495	8,279	259,517	187,347
Taxes	379,843	-	-	-	379,843	113,627
International travel	99,951	13,411	1,001	14,412	114,363	97,275
Equipment and supplies	172,742	40,105	2,502	42,607	215,349	49,705
Professional development and training	41,474	8,575	-	8,575	50,049	47,058
Depreciation	10,319	5,202	-	5,202	15,521	26,282
Miscellaneous	36,696	8,225	-	8,225	44,921	29,989
TOTAL	\$ 9,638,866	\$ 2,646,560	\$ 313,948	\$ 2,960,508	\$ 12,599,374	\$ 10,872,925

See accompanying notes to consolidated financial statements.

IDINSIGHT, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 17,739,568	\$ 10,922,222
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,521	26,282
Change in allowance for bad debt	(89,026)	(2,890)
Forgiveness of debt	(412,727)	-
(Increase) decrease in:		
Accounts receivable	(47,540)	(62,881)
Employee and other receivables	(86,125)	61,330
Promises to give	3,047,514	(4,291,404)
Prepaid expenses and deposits	(121,158)	9,986
Prepaid taxes and deferred tax asset	144,287	126,903
Increase (decrease) in:		
Accounts payable and other liabilities	99,328	(78,900)
Accrued salaries and related benefits	70,367	(3,919)
Deferred income	<u>(374,836)</u>	<u>221,031</u>
Net cash provided by operating activities	<u>19,985,173</u>	<u>6,927,760</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(85,591)	(38,586)
Purchase of investments	<u>(1,748)</u>	<u>-</u>
Net cash used by investing activities	<u>(87,339)</u>	<u>(38,586)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	<u>-</u>	<u>412,727</u>
Net cash provided by financing activities	<u>-</u>	<u>412,727</u>
Net increase in cash and cash equivalents	19,897,834	7,301,901
Cash and cash equivalents at beginning of year	<u>10,971,507</u>	<u>3,669,606</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 30,869,341</u>	<u>\$ 10,971,507</u>

IDINSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021

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

IDinsight Zambia Limited 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 Senegal 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 IDinsight, 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.

IDinsight Morocco was incorporated in May 2021. It is a private company limited by shares, and is 100% owned by 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, IDinsight Morocco 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, IDinsight Morocco and IDinsight Senegal. All intercompany transactions and balances have been eliminated.

IDINSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021

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

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*. 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, 2020, from which the summarized information was derived.

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 had approximately \$618,600 of cash and cash equivalents held at financial institutions in foreign countries at December 31, 2021. The majority of funds invested in foreign countries are uninsured.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses, if any, are included in investment income, which is presented net of investment expenses (if any) paid to external investment advisors in the accompanying Consolidated Statement of Activities and Change in Net Assets.

Investments acquired by gift are recorded at their fair value at the date of the gift. IDinsight's policy is to liquidate all gifts of investments as soon as possible after the gift.

IDINSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021

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

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, 2021 totaled \$15,521.

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 for IDinsight, Inc. has been made in the accompanying consolidated financial statements. IDinsight, Inc. is not a private foundation.

IDinsight India Private Limited'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. 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 2021. These will be included in the return filed for the tax year ended March 31, 2022. Amounts previously withheld for TDS (Tax deducted at source) reduce the amount due on filing of the return.

IDinsight Senegal, IDinsight South Africa, IDinsight Kenya Private Limited, IDinsight Morocco and IDinsight Zambia Limited's principal activities are subject to local income tax. Based on the current and past financial performance of the entities, no provision for income taxes has been made in the consolidated financial statements except for Zambia. In Zambia, the majority of activity is not taxable, however, income generated from consulting agreements signed directly with the local entity (exchange revenue) are subject to income tax, without regard to the profit or loss of other activities. The income tax liability contains all amounts due at December 31, 2021, including a retroactive filing for such contracts from 2014-2020, which has been identified by the organization, and which the organization is in the process of filing. Amounts previously withheld at source reduce the amount due on filing of the return.

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, 2021

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

Uncertain tax positions -

For the year ended December 31, 2021, 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.

Grants and contributions -

The majority of IDinsight's activities are supported by grants and contributions from various organizations. These awards are for various activities performed by IDinsight. Grants and contributions are recognized in the appropriate category of net assets in the period received. IDinsight performs an analysis of the individual grant and contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For grants and contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Contributions and grants qualifying as contributions that are unconditional and have donor restrictions 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. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Contributions or grants qualifying as conditional contributions contain a right of return from obligation provision that limits IDinsight on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met.

Most grant awards from government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and classified as conditional and are therefore recognized as contributions when the revenue becomes unconditional. IDinsight recognizes revenue for these conditional contributions when the related barrier has been overcome. Funds received in advance of the satisfaction of conditions are recorded as refundable advances. For contributions and grants treated as conditional contributions, IDinsight had approximately \$605,000 in unrecognized awards as of December 31, 2021.

Consulting income -

Grants classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers*, and are recorded as revenue at a point in time when the performance obligations are met. IDinsight has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost. Funding received in advance of satisfying performance obligations are recorded as deferred revenue. Of the total contracts and grants, approximately 18% were considered exchange transactions for the year ended December 31, 2021, and are included in Consulting Income.

IDINSIGHT, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

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.

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.

Reclassification -

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. There has been no net asset impact as a result of the reclassifications.

New accounting pronouncement not yet adopted -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

IDINSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021

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

New accounting pronouncement not yet adopted (continued) -

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Consolidated Statement of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non-public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

IDinsight plans to adopt the new ASU at the required implementation dates and management is currently in the process of evaluating the adoption methods and the impact of the new standards on its accompanying consolidated financial statements.

2. UNCONDITIONAL PROMISES TO GIVE

As of December 31, 2021, contributors to IDinsight have made unconditional written promises to give, of which \$5,240,322, remained due and outstanding. Following is a schedule of amounts due, by year, as of December 31, 2021:

Less than one year	\$ 2,881,125
One to five years	<u>2,359,197</u>
TOTAL UNCONDITIONAL PROMISES TO GIVE	<u>\$ 5,240,322</u>

3. FORGIVENESS OF DEBT

On April 29, 2020, IDinsight received loan proceeds in the amount of \$412,727 under the Paycheck Protection Program (PPP) through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The promissory note called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months.

During the year ended December 31, 2020, IDinsight used the proceeds for purposes consistent with the PPP, and applied for forgiveness after completing the 24-week period. On January 16, 2021, IDinsight received forgiveness of their loan under the Paycheck Protection Program by the SBA in the amount of \$412,727. There are no further requirements regarding this funding and IDinsight recorded the amount forgiven as revenue from forgiveness of debt on the accompanying Consolidated Statement of Activities and Change in Net Assets.

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2021:

Subject to expenditure for specified purpose:	
Project support	\$ 15,338,954
Time	450,495
BMGF - AgResults	<u>936,521</u>
NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 16,725,970</u>

IDINSIGHT, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

4. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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	\$ 6,062,154
Goldsmith - Prakelt Covid	35,650
BMGF - AgResults	235,720
Timing restrictions accomplished	<u>1,200,000</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u><u>\$ 7,533,524</u></u>

5. 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	\$ 30,869,341
Investments	1,748
Accounts receivable	1,699,610
Employee and other receivables	113,092
Promises to give, current	<u>2,881,125</u>
Subtotal financial assets available within one year	35,564,916
Less: Donor restricted funds	<u>(14,250,474)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u><u>\$ 21,314,442</u></u>

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.

6. LEASE COMMITMENTS

IDinsight has various operating leases for office space. The leases are generally for two years or less. In May 2022, IDinsight entered into a lease agreement in Kenya which commenced in May 2022 and is through August 2027.. Base rent is KES 450,000 (\$3,870) per month, increasing by a factor of 5% each year.

The following is a schedule of the future minimum lease payments:

Year Ending December 31,

2022	\$ 29,025
2023	47,988
2024	50,387
2025	52,856
2026	55,553
Thereafter	<u>37,632</u>
	<u><u>\$ 273,441</u></u>

IDINSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021

6. LEASE COMMITMENTS (Continued)

Rent expense under operating leases for the year ended December 31, 2021 total \$116,047 and is included in rent and utilities on the Consolidated Statement of Functional Expenses.

7. 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, 2021 totaled \$58,534 and are included in personnel expense on the Consolidated Statement of Functional Expenses.

IDinsight India Private Limited makes contributions to the Employee Provident Fund (EPF) of 6-10% of the gross pay to a defined contribution plan. Payroll deductions of an equivalent amount 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, 2021 were \$137,673 and are included in personnel expense on the Consolidated Statement of Functional Expenses.

IDinsight India Private Limited is required to pay a gratuity under The Payment of Gratuity Act 1972. The liability for gratuity is determined by an independent actuary at each balance sheet date and actuarial gains/losses are charged to the profit and loss account. The actuarial estimate as of December 31, 2021, was accrued and is included in personnel expenses on the Consolidated Statement of Functional Expenses. During the year ended December 31, 2021, expenses of \$16,178 were included in personnel expenses on the Consolidated Statement of Functional Expenses.

IDinsight Kenya Private Limited makes contributions to the National Social Security Fund of approximately \$10 per month per employee, which is dealt with 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 employees render the related services. Contributions during the year ended December 31, 2021, were \$1,791 and are included in personnel expenses on the Consolidated Statement of Functional Expenses. IDinsight Kenya makes an additional 100% match of optional retirement or pension plan contributions up to 2% of salary at the beginning of the second year of employment with IDinsight. Contributions during the year ended December 31, 2021 were \$1,404 and are included in personnel expense on the Consolidated Statement of Functional Expenses.

IDinsight Zambia Limited makes contributions to the Zambia National Pension Scheme Authority of 5% (up to a cap) which are dealt with as a defined contribution Plan. Deductions are made from all Zambian employees under 55 years old and submitted to the Authority. Obligations for contributions to the defined contribution Plan are recognized in the period during which employees render the related services.

Contributions during the year ended December 31, 2021 were \$10,033 and are included in personnel expense on the Consolidated Statement of Functional Expenses.

IDinsight Senegal makes contributions to the Institution de Prévoyance Retraite du Sénégal (IPRES) of 5.6% of gross salary per month subject to a cap, towards 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 employees render the related services. Contributions during the year ended December 31, 2021 were \$6,279 and are included in personnel expense on the Consolidated Statement of Functional Expenses.

IDINSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021

7. RETIREMENT PLAN (Continued)

IDinsight Philippines makes contributions to the Social Security System (SSS) of 8.15% of gross salary up to a cap, towards 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, 2021, were \$3,452 and are included in personnel expenses on the Consolidated Statement of Functional Expenses. IDinsight Philippines makes an additional 100% match of optional retirement or pension plan contributions up to 2% of salary starting at the beginning of the second year of employment with IDinsight. Contributions during the year ended December 31, 2021 were \$1,551 and are included in personnel expense on the Consolidated Statement of Functional Expenses.

IDinsight Morocco makes contributions to the National Social Security Fund (CNSS) of 8.98% of gross salary up to a cap, towards a defined contribution Plan. An amount of 4.48% 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 employees render the related services. Contributions during the year ended December 31, 2021, were \$4,230 and are included in personnel expenses on the Consolidated Statement of Functional Expenses. IDinsight makes an additional 100% match of retirement or pension plan contributions up to 2% of salary at the beginning of the second year of employment with IDinsight. Contributions during the year ended December 31, 2021, were \$603 and are included in personnel expenses on the Consolidated Statement of Functional Expenses.

8. CONCENTRATION OF REVENUE

Approximately 39% of IDinsight's revenue for the year ended December 31, 2021 was derived from a grant awarded by one donor. While IDinsight may be unable to sustain the same level relationship with this donor going forward, IDinsight has sufficient, diversified revenue streams in order to continue on-going operations in the future.

9. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, IDinsight has evaluated events and transactions for potential recognition or disclosure through September 13, 2022, the date the consolidated financial statements were issued.