

CONSOLIDATED FINANCIAL STATEMENTS

IDinsight

AND AFFILIATES

**FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2022**

ID INSIGHT, INC. AND AFFILIATES

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of ID Insight, Inc. and Affiliates (collectively, IDinsight), which comprise the consolidated statement of financial position as of December 31, 2023, 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 consolidated financial position of IDinsight as of December 31, 2023, 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.

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.

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

We did not audit the financial statements of IDinsight India, which statements reflect total assets of \$1,216,326 as of December 31, 2023, and total support and revenues of \$732,009 for the year ended December 31, 2023. 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 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



October 11, 2024

ID INSIGHT, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 17,975,540	\$ 7,658,107
Investments	5,610,942	20,242,240
Accounts receivable, net	3,372,425	1,457,795
Employee and other receivables	307,741	190,627
Grants and contributions receivable	8,765,346	6,019,188
Prepaid expenses and deposits	<u>543,912</u>	<u>356,675</u>
Total current assets	<u>36,575,906</u>	<u>35,924,632</u>
PROPERTY AND EQUIPMENT		
Equipment	-	45,927
Furniture	60,066	76,184
Computer equipment	591,337	445,190
Vehicles	<u>6,499</u>	<u>7,263</u>
	657,902	574,564
Less: Accumulated depreciation	<u>(164,589)</u>	<u>(84,237)</u>
Net property and equipment	<u>493,313</u>	<u>490,327</u>
NONCURRENT ASSETS		
Right-of-use-assets, net	159,075	200,397
Grants and contributions receivable, net	<u>6,581,009</u>	<u>8,243,479</u>
Total noncurrent assets	<u>6,740,084</u>	<u>8,443,876</u>
TOTAL ASSETS	<u>\$ 43,809,303</u>	<u>\$ 44,858,835</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and other liabilities	\$ 635,427	\$ 481,947
Accrued salaries and related benefits	1,325,691	903,716
Deferred income	837,539	211,280
Operating lease liabilities	<u>67,602</u>	<u>36,284</u>
Total current liabilities	<u>2,866,259</u>	<u>1,633,227</u>
NONCURRENT LIABILITIES		
Operating lease liabilities, net	<u>102,196</u>	<u>170,087</u>
Total liabilities	<u>2,968,455</u>	<u>1,803,314</u>
NET ASSETS		
Without donor restrictions	14,724,340	18,582,798
With donor restrictions	<u>26,116,508</u>	<u>24,472,723</u>
Total net assets	<u>40,840,848</u>	<u>43,055,521</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 43,809,303</u>	<u>\$ 44,858,835</u>

ID INSIGHT, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Grants and contributions	\$ 1,006,292	\$ 14,169,304	\$ 15,175,596	\$ 21,175,389
Consulting income	5,593,759	-	5,593,759	3,350,205
Net investment return	568,708	-	568,708	240,494
Interest income	462,071	-	462,071	78
Contributed nonfinancial assets	164,700	-	164,700	29,853
Other revenue	9,774	-	9,774	6,738
Net assets released from donor restrictions	<u>12,525,519</u>	<u>(12,525,519)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>20,330,823</u>	<u>1,643,785</u>	<u>21,974,608</u>	<u>24,802,757</u>
EXPENSES				
Program Services	<u>17,586,340</u>	<u>-</u>	<u>17,586,340</u>	<u>13,987,797</u>
Supporting Services:				
Management and General	6,131,622	-	6,131,622	4,233,163
Fundraising	<u>471,319</u>	<u>-</u>	<u>471,319</u>	<u>314,138</u>
Total supporting services	<u>6,602,941</u>	<u>-</u>	<u>6,602,941</u>	<u>4,547,301</u>
Total expenses	<u>24,189,281</u>	<u>-</u>	<u>24,189,281</u>	<u>18,535,098</u>
Change in net assets	(3,858,458)	1,643,785	(2,214,673)	6,267,659
Net assets at beginning of year	<u>18,582,798</u>	<u>24,472,723</u>	<u>43,055,521</u>	<u>36,787,862</u>
NET ASSETS AT END OF YEAR	<u>\$ 14,724,340</u>	<u>\$ 26,116,508</u>	<u>\$ 40,840,848</u>	<u>\$ 43,055,521</u>

ID INSIGHT, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023			2022		
	Supporting Services			Total Expenses	Total Expenses	
	Program Services	Management and General	Fundraising			Total Supporting Services
Personnel	\$ 14,148,599	\$ 3,027,495	\$ 378,977	\$ 3,406,472	\$ 17,555,071	\$ 13,082,060
Professional fees	595,491	1,055,028	20,000	1,075,028	1,670,519	949,030
Office	495,494	892,227	24,828	917,055	1,412,549	1,137,725
Subcontracts	849,135	57,193	21,291	78,484	927,619	1,172,057
Local travel	727,999	22,092	4,256	26,348	754,347	640,127
International travel	376,230	142,768	12,080	154,848	531,078	439,673
Taxes	-	503,025	-	503,025	503,025	311,035
Lease and utilities	23,179	291,225	5,818	297,043	320,222	248,453
Professional development and training	267,875	17,531	4,069	21,600	289,475	154,485
Depreciation	-	113,776	-	113,776	113,776	24,292
Equipment and supplies	99,307	3,694	-	3,694	103,001	371,853
Miscellaneous	3,031	5,568	-	5,568	8,599	4,308
TOTAL	\$ 17,586,340	\$ 6,131,622	\$ 471,319	\$ 6,602,941	\$ 24,189,281	\$ 18,535,098

See accompanying notes to consolidated financial statements.

ID INSIGHT, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,214,673)	\$ 6,267,659
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	113,776	24,292
Amortization of right-of-use assets	111,306	26,839
Change in discount on noncurrent grants and contributions receivable	(340,348)	898,287
Change in allowance for doubtful accounts	-	(3,079)
Change in allowance for credit losses	(1,584)	-
(Increase) decrease in:		
Accounts receivable	(1,913,046)	244,894
Employee and other receivables	(117,114)	(77,535)
Grants and contributions receivable	(743,340)	(9,920,632)
Prepaid expenses and deposits	(187,237)	(127,751)
Increase (decrease) in:		
Accounts payable and other liabilities	153,480	(168,955)
Accrued salaries and related benefits	421,975	214,300
Deferred income	626,259	46,086
Operating lease liabilities	(106,557)	(20,865)
Net cash used by operating activities	<u>(4,197,103)</u>	<u>(2,596,460)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(116,762)	(374,282)
Purchases of investments	(568,702)	(20,240,492)
Withdrawals of investments	<u>15,200,000</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>14,514,536</u>	<u>(20,614,774)</u>
Net increase (decrease) in cash and cash equivalents	10,317,433	(23,211,234)
Cash and cash equivalents at beginning of year	<u>7,658,107</u>	<u>30,869,341</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 17,975,540	\$ 7,658,107
SCHEDULE OF NONCASH TRANSACTIONS		
Right-of-Use-Asset	\$ 69,984	\$ 227,236
Operating Lease Liability for Right-of-Use-Asset	\$ 69,984	\$ 227,236

ID INSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

ID Insight Inc. is an international non-governmental organization that helps policymakers and managers make socially impactful decisions using rigorous evidence. ID Insight, 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. ID Insight, 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 ID Insight, 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 ID Insight, 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. ID Insight, 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 ID Insight, 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 ID Insight, Inc.

IDinsight Morocco was incorporated in May 2021. It is a private company limited by shares, and is 100% owned by ID Insight, 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. ID Insight, Inc. has a majority ownership interest in IDinsight India Private Limited. ID Insight, 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. ID Insight, Inc. has a full ownership interest in IDinsight Kenya Private Limited, IDinsight Morocco and IDinsight Senegal. All intercompany transactions and balances have been eliminated.

ID INSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023

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 U.S. GAAP related to nonprofit 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 follow:

- **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 set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

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, 2022, from which the summarized information was derived.

New accounting pronouncement adopted -

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by IDinsight that are subject to the guidance in FASB ASC 326 are trade accounts receivable. IDinsight implemented the ASU on January 1, 2023, using a modified retrospective approach.

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, excluding money market funds held by investment managers in the amount of \$5,610,942. 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.

ID INSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023

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

Cash and cash equivalents (continued) -

IDinsight had approximately \$1,483,238 of cash and cash equivalents held at financial institutions in foreign countries at December 31, 2023. 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, such as donated securities, 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.

Receivables -

Accounts receivable primarily consists of amounts due within one year related to consulting income. Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs.

Employee and other receivables consists primarily of employee advances that are due within one year. IDinsight considers all employee and other receivables to be fully collectable, accordingly, an allowance for doubtful accounts has not been established.

Grants and contributions receivable include unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on noncurrent grants and contributions receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions. IDinsight considers all grants and contributions receivable to be fully collectable; accordingly, an allowance for doubtful accounts has not been established.

Property and equipment -

Property and equipment in excess of \$1,000 are capitalized and stated at cost. 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, 2023 totaled \$113,776.

Income taxes -

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

ID INSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023

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

Income taxes (continued) -

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 2023. These will be included in the return filed for the tax year ended March 31, 2024. 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, provision for income taxes has been made in the consolidated financial statements for Senegal, Kenya, and Zambia, no provision has been made for South Africa, Philippines & Morocco. In Zambia, the majority of our activity is not taxable, however, income generated from consulting agreements signed directly with the local entity (exchange revenue) is 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, 2023. 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 on the grants received for the aforesaid purposes. However, income generated from consulting agreements signed directly with the local entity (exchange revenue) is 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, 2023. Amounts previously withheld at source reduce the amount due on filing of the return.

Revenue from contracts with customers -

IDinsight's consulting income is treated as exchange transactions following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met over time. IDinsight has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on cost and/or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred income. IDinsight's contracts with customers generally have initial terms of one year or less.

Support from grants and contributions -

Grants and contributions are recognized in the appropriate category of net assets in the period received. IDinsight performs an analysis of the individual grant or contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from grants and contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

ID INSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023

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

Support from grants and contributions (continued) -

Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor imposed restrictions and satisfaction of time restrictions. Grants and contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Conditional grants and contributions contain a right of return and a measurable barrier. Grants and contributions are recognized when conditions have been satisfied. Conditional grants and contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, IDinsight had no refundable advances as of December 31, 2023.

In addition, IDinsight may obtain funding source agreements related to conditional contributions, which will be received in future years. IDinsight's unrecognized conditional contributions to be received in future years totaled \$500,000 as of December 31, 2023.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed legal services. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by IDinsight.

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 converted into U.S. 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 U.S. 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.

ID INSIGHT, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, IDinsight has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market IDinsight has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

Money Market Funds - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2023.

	Level 1	Level 2	Level 3	Total December 31, 2023
Investments:				
Money Market Funds	\$ <u>5,610,942</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,610,942</u>

Net investment return consisted of the following for the year ended December 31, 2023:

Interest and Dividends	\$ <u>568,708</u>
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3. GRANTS AND CONTRIBUTIONS RECEIVABLE

As of December 31, 2023, contributors to IDinsight have made unconditional written promises-to-give, of which \$15,924,097, remained due and outstanding. Amounts due beyond one year of the Consolidated Statement of Financial Position date have been recorded at the present value of the estimated cash flows, using a discount rate ranging from 4.2% to 13.24%.

ID INSIGHT, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023**

3. GRANTS AND CONTRIBUTIONS RECEIVABLE (Continued)

Grants and contributions receivable are expected to be collected as follows as of December 31, 2023:

Less than one year	\$ 8,765,346
One to five years	<u>7,158,751</u>
Total	15,924,097
Less: Allowance to discount balance to present value	<u>(577,742)</u>
TOTAL GRANTS AND CONTRIBUTIONS RECEIVABLE, NET	<u>\$ 15,346,355</u>

4. CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets consisted of the following revenue stream as of:

	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Consulting income	\$ 3,398,709	\$ 1,485,663
Less: Allowance for credit losses	<u>(26,284)</u>	<u>(27,868)</u>
TOTAL CONTRACT ASSETS	<u>\$ 3,372,425</u>	<u>\$ 1,457,795</u>

The allowance for credit losses consisted of the following as of and for the year ended December 31, 2023:

Allowance for credit losses, beginning of year	\$ 27,868
Deductions (write-offs, net of recoveries)	<u>(1,584)</u>
ALLOWANCE FOR CREDIT LOSSES, END OF YEAR	<u>\$ 26,284</u>

Contract liabilities consisted of the following revenue stream as of:

	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Consulting Income	<u>\$ 837,539</u>	<u>\$ 211,280</u>

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2023:

Subject to expenditure for specified purpose:	
Project support	\$ 25,010,478
BMGF - AgResults	584,050
Subject to time restrictions:	<u>521,980</u>
NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 26,116,508</u>

ID INSIGHT, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023**

5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended December 31, 2023:

Purpose restrictions accomplished:	
Project support	\$ 11,575,590
BMGF - AgResults	732,020
Timing restrictions accomplished	<u>217,909</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 12,525,519</u>

6. LIQUIDITY AND AVAILABILITY

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.

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	\$ 17,975,540
Investments	5,610,942
Accounts receivable, net	3,372,425
Employee and other receivables	307,741
Grants and contributions receivable	<u>8,765,346</u>
Subtotal financial assets available within one year	36,031,994
Less: Donor restricted funds	<u>(25,594,528)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 10,437,466</u>

7. CONTRIBUTED NONFINANCIAL ASSETS

IDinsight was the beneficiary of certain contributed nonfinancial assets which allowed IDinsight to provide greater resources towards its various programs. None of the contributed nonfinancial assets were restricted by donors and none of the donated goods were monetized through sale. Donated legal services are valued based on the attorney's standard hourly rate multiplied by the number of hours donated.

The contributed nonfinancial assets consisted of the following for the year ended December 31, 2023:

Donated Legal Services	<u>\$ 164,700</u>
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The contributed nonfinancial assets have been recorded in support and in the following functional expense categories for the year ended December 31, 2023:

Management and General	<u>\$ 164,700</u>
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ID INSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023

8. LEASE COMMITMENTS

IDinsight follows FASB ASC 842 for leases. IDinsight has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. IDinsight has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

Operating Leases:

IDinsight has various operating leases for office space. The leases are generally for one year or less. IDinsight has elected to treat these operating leases as short-term leases as allowed under ASC 842.

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.

In January 2023, IDinsight entered into a lease agreement in Morocco which commenced in January 2023 and is through January 2024. Base rent is MAD 30,000 (\$3,041) per month.

For the year ended December 31, 2023, total lease cost was \$74,853 and total cash paid was \$72,109 for all long-term operating leases. Total lease cost is included within lease and utilities on the accompanying Consolidated Statement of Functional Expenses. As of December 31, 2023, the weighted-average remaining lease term and rate for long-term operating leases is 3.04 years and 4.90% respectively.

Total short-term lease expenses included in lease and utilities on the accompanying Statement of Functional Expenses for the year ended December 31, 2023 was \$142,422.

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

<u>Year Ending December 31,</u>	
2024	\$ 73,891
2025	39,275
2026	41,239
2027	<u>27,936</u>
Subtotal	182,341
Less: Imputed interest	(12,543)
Less: Current portion	<u>(67,602)</u>
LONG-TERM PORTION	\$ <u>102,196</u>

9. RETIREMENT PLAN

ID Insight, Inc. sponsors a 401(k) Plan (the Plan) for employees who have worked for ID Insight, Inc. for more than one year. Employees are entitled to a 2% match on their salary. Employer contributions to the Plan during the year ended December 31, 2023 totaled \$69,223 and are included in personnel expense in 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. Employer contributions during the year ended December 31, 2023 were \$291,256 and are included in personnel expense in the Consolidated Statement of Functional Expenses.

ID INSIGHT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023

9. RETIREMENT PLAN (Continued)

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, 2023, was accrued and is included in personnel expenses on the Consolidated Statement of Functional Expenses. During the year ended December 31, 2023, expenses of \$72,690 were included in personnel expenses in 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. Employer contributions during the year ended December 31, 2023, were \$4,957 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. Employer contributions during the year ended December 31, 2023 were \$19,236 and are included in personnel expense in 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. Employer contributions during the year ended December 31, 2023 were \$12,260 and are included in personnel expense in 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, 2023 were \$29,312 and are included in personnel expense on the Consolidated Statement of Functional Expenses. IDinsight Senegal is required to make an additional provision for retirement indemnity (PIDR) according to the disposition of the uniform act, for employees who have completed 2 years with the organization. During the year ended December 31, 2023, expenses of \$2,638 were included in personnel expenses in the Consolidated Statement of Functional Expenses.

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.

Employer contributions during the year ended December 31, 2023, were \$19,702 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. Employer contributions during the year ended December 31, 2023 were \$1,581 and are included in personnel expense in 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.

ID INSIGHT, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023**

9. RETIREMENT PLAN (Continued)

Employer contributions during the year ended December 31, 2023, were \$35,675 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. Employer contributions during the year ended December 31, 2023 were \$4,579 and are included in personnel expenses in the Consolidated Statement of Functional Expenses.

10. CONTINGENCY

During 2023, one donor of IDinsight has filed for bankruptcy and has requested the return of previously donated funds. There has been no formal lawsuit brought to IDinsight regarding this matter, and IDinsight believes that the ultimate liability, if any, resulting from this matter will not have a material effect on the consolidated financial statements.

11. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, IDinsight has evaluated events and transactions for potential recognition or disclosure through October 11, 2024, the date the consolidated financial statements were issued.