

FINANCIAL STATEMENTS

**INTERNATIONAL INITIATIVE FOR
IMPACT EVALUATION, INC.**

**FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2021**

INTERNATIONAL INITIATIVE FOR IMPACT EVALUATION, INC.

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
International Initiative for Impact Evaluation, Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of International Initiative for Impact Evaluation, Inc. (3ie), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 3ie as of December 31, 2022, and the 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 3ie 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 3ie's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 3ie's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 3ie'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 3ie's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 26, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2023, on our consideration of 3ie's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 3ie's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 3ie's internal control over financial reporting and compliance.



May 23, 2023

INTERNATIONAL INITIATIVE FOR IMPACT EVALUATION, INC.

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 6,131,236	\$ 4,525,792
Investments	22,944,525	24,064,729
Accounts receivable	196,651	82,057
Accrued interest receivable	26,480	44,795
Grants and contributions receivable, net of present value discount	6,033,380	7,946,947
Prepaid expenses	117,020	57,979
Fixed assets, net of accumulated depreciation and amortization of \$25,289	3,902	6,705
Deposits	<u>17,964</u>	<u>3,620</u>
TOTAL ASSETS	<u>\$ 35,471,158</u>	<u>\$ 36,732,624</u>

LIABILITIES AND NET ASSETS**LIABILITIES**

Accounts payable and accrued liabilities	\$ 843,489	\$ 1,213,802
Grants payable	141,606	29,968
Refundable advances	<u>1,158,909</u>	<u>318,766</u>
Total liabilities	<u>2,144,004</u>	<u>1,562,536</u>

NET ASSETS

Without donor restrictions:		
Undesignated	7,489,684	4,100,000
Board designated	<u>15,947,840</u>	<u>17,371,736</u>
Total without donor restrictions	23,437,524	21,471,736
With donor restrictions	<u>9,889,630</u>	<u>13,698,352</u>
Total net assets	<u>33,327,154</u>	<u>35,170,088</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 35,471,158</u>	<u>\$ 36,732,624</u>

INTERNATIONAL INITIATIVE FOR IMPACT EVALUATION, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Grants and contributions	\$ 6,558,476	\$ 1,983,053	\$ 8,541,529	\$ 3,358,076
U.S. Government assistance awards	1,020,676	-	1,020,676	457,661
Interest and investment (loss) income, net of expenses of \$112,679	(1,423,896)	26,705	(1,397,191)	(239,816)
Service income and other	1,472,159	-	1,472,159	605,286
Net assets released from donor restrictions	<u>5,621,519</u>	<u>(5,621,519)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>13,248,934</u>	<u>(3,611,761)</u>	<u>9,637,173</u>	<u>4,181,207</u>
EXPENSES				
Program Services	8,020,355	-	8,020,355	9,335,719
General and Administrative	<u>3,263,121</u>	<u>-</u>	<u>3,263,121</u>	<u>3,359,381</u>
Total expenses	<u>11,283,476</u>	<u>-</u>	<u>11,283,476</u>	<u>12,695,100</u>
Change in net assets before other items	<u>1,965,458</u>	<u>(3,611,761)</u>	<u>(1,646,303)</u>	<u>(8,513,893)</u>
OTHER ITEMS				
Exchange rate loss	-	(196,961)	(196,961)	(157,300)
Gain (loss) on disposal of assets	<u>330</u>	<u>-</u>	<u>330</u>	<u>(20,305)</u>
Total other items	<u>330</u>	<u>(196,961)</u>	<u>(196,631)</u>	<u>(177,605)</u>
Change in net assets	1,965,788	(3,808,722)	(1,842,934)	(8,691,498)
Net assets at beginning of year	<u>21,471,736</u>	<u>13,698,352</u>	<u>35,170,088</u>	<u>43,861,586</u>
NET ASSETS AT END OF YEAR	<u>\$ 23,437,524</u>	<u>\$ 9,889,630</u>	<u>\$ 33,327,154</u>	<u>\$ 35,170,088</u>

INTERNATIONAL INITIATIVE FOR IMPACT EVALUATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022			2021
	Program Services	General and Administrative	Total Expenses	Total Expenses
Salaries and benefits	\$ 3,515,790	\$ 2,331,149	\$ 5,846,939	\$ 5,657,266
Occupancy and office expenses	75,029	46,620	121,649	288,176
Professional fees	2,068,462	550,460	2,618,922	2,600,384
Grant expenses	2,142,786	-	2,142,786	3,887,773
Conference and meeting expenses	7,830	15,242	23,072	6,745
Travel	116,903	145,421	262,324	49,294
Bank fees	-	20,306	20,306	21,620
Recruitment fees	2,113	1,211	3,324	1,136
Depreciation and amortization	-	2,470	2,470	9,994
Equipment	4,175	30,797	34,972	58,487
Miscellaneous	87,267	119,445	206,712	114,225
TOTAL	\$ 8,020,355	\$ 3,263,121	\$ 11,283,476	\$ 12,695,100

INTERNATIONAL INITIATIVE FOR IMPACT EVALUATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,842,934)	\$ (8,691,498)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	2,470	9,994
Unrealized and realized losses on investments	1,593,039	534,776
Extinguishment of debt	-	(154,000)
Decrease in discount on noncurrent grants and contributions receivable	(14,723)	(220,429)
Exchange rate loss on grants and contributions receivable	196,961	157,300
(Gain) loss on disposal of assets	(330)	20,305
Security deposit forfeited when lease terminated	-	10,310
(Increase) decrease in:		
Accounts receivable	(114,594)	154,731
Accrued interest receivable	18,315	36,688
Grants and contributions receivable	1,731,329	936,234
Prepaid expenses	(59,041)	(21,906)
Deposits	(14,344)	49,869
(Decrease) increase in:		
Accounts payable and accrued liabilities	(370,313)	145,211
Grants payable	111,638	29,914
Refundable advances	840,143	303,349
Net cash provided (used) by operating activities	<u>2,077,616</u>	<u>(6,699,152)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(2,255)
Proceeds from sales of fixed assets	663	-
Purchase of investments	(14,336,068)	(9,512,727)
Proceeds from sale of investments	<u>13,863,233</u>	<u>9,688,294</u>
Net cash (used) provided by investing activities	<u>(472,172)</u>	<u>173,312</u>
Net increase (decrease) in cash and cash equivalents	1,605,444	(6,525,840)
Cash and cash equivalents at beginning of year	<u>4,525,792</u>	<u>11,051,632</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,131,236</u>	<u>\$ 4,525,792</u>