

CONSOLIDATED FINANCIAL STATEMENTS



**EVIDENCE ACTION, INC.
AND AFFILIATES**

**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

EVIDENCE ACTION, INC. AND AFFILIATES

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Evidence Action, Inc. and Affiliates
Washington, D.C.

Opinion

We have audited the accompanying consolidated financial statements of Evidence Action, Inc. and Affiliates (the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We did not audit the financial activity of Evidence Action's consolidated affiliates (Uganda, Malawi, Nigeria and India) and the financial activity in its Kenya branch, whose financial statements reflect total assets of \$2,026,146 (2% of total assets) and \$1,801,869 (2% of total assets) as of December 31, 2021 and 2020, respectively, total revenues of \$8,492 (0.04% of total revenues) and \$9,900 (0.04% of total revenues), respectively, and total expenses of \$10,507,985 (46% of total expenses) and \$11,036,455 (47% of total expenses), respectively, for the years ended December 31, 2021 and 2020. Those financial activities were audited by other auditors, whose reports expressed an unmodified opinion on those statements and have been furnished to us, and our opinion, insofar as it relates to the amounts included for Evidence Action's affiliates (Uganda, Malawi, Nigeria and India) and the amounts included for its Kenya branch, is based solely on the reports of the other auditors dated June 10, 2022, June 15, 2022, August 12, 2022, August 10, 2022, and June 30, 2022, respectively.

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.

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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 the Organization'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. 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 the Organization'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 the Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position on page 22 and the Consolidating Schedule of Activities and Change in Net Assets on pages 23 - 24 are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



October 7, 2022

EVIDENCE ACTION, INC. AND AFFILIATES

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020**

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents:		
Cash held in the United States	\$ 11,738,531	\$ 11,590,909
Cash held in foreign jurisdictions	<u>898,595</u>	<u>980,701</u>
Total cash and cash equivalents	<u>12,637,126</u>	<u>12,571,610</u>
Investments	64,899,396	65,174,351
Contributions and grants receivable	2,683,964	6,445,182
Accounts, employee, and other receivables, net	2,999,397	1,373,462
Prepaid expenses	<u>578,613</u>	<u>626,833</u>
Total current assets	<u>83,798,496</u>	<u>86,191,438</u>
FIXED ASSETS		
Furniture and equipment	297,946	168,525
Vehicles	<u>240,125</u>	<u>223,523</u>
	538,071	392,048
Less: Accumulated depreciation	<u>(353,298)</u>	<u>(276,514)</u>
Net fixed assets	<u>184,773</u>	<u>115,534</u>
NONCURRENT ASSETS		
Contributions and grants receivable, net of current portion and present value discount	953,280	2,531,835
Security deposits	105,098	52,136
Right-of-use assets	<u>1,236,406</u>	<u>-</u>
Total noncurrent assets	<u>2,294,784</u>	<u>2,583,971</u>
TOTAL ASSETS	<u>\$ 86,278,053</u>	<u>\$ 88,890,943</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Loan payable	\$ -	\$ 500,000
Accounts payable and accrued liabilities	1,447,959	1,289,661
Refundable advances	15,913	689,253
Lease liability	<u>111,365</u>	<u>-</u>
Total current liabilities	<u>1,575,237</u>	<u>2,478,914</u>
NONCURRENT LIABILITIES		
Lease liability, net of current portion	<u>1,155,592</u>	<u>-</u>
Total liabilities	<u>2,730,829</u>	<u>2,478,914</u>
NET ASSETS		
Without donor restrictions	19,983,340	12,890,430
With donor restrictions	<u>63,563,884</u>	<u>73,521,599</u>
Total net assets	<u>83,547,224</u>	<u>86,412,029</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 86,278,053</u>	<u>\$ 88,890,943</u>

See accompanying notes to consolidated financial statements.

EVIDENCE ACTION, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and grants	\$ 6,437,520	\$ 11,870,008	\$ 18,307,528
Carbon revenue	3,225,125	-	3,225,125
Investment loss	(103,350)	(163,509)	(266,859)
Other revenue	63,792	-	63,792
Net assets released from donor restrictions	<u>20,164,214</u>	<u>(20,164,214)</u>	<u>-</u>
Total revenue and support	<u>29,787,301</u>	<u>(8,457,715)</u>	<u>21,329,586</u>
EXPENSES			
Program Services:			
Deworm the World Initiative	9,620,444	-	9,620,444
Dispensers for Safe Water Program	4,971,154	-	4,971,154
Evidence Action Accelerator	<u>2,675,253</u>	<u>-</u>	<u>2,675,253</u>
Total program services	<u>17,266,851</u>	<u>-</u>	<u>17,266,851</u>
Supporting Services:			
Management and General	4,604,296	-	4,604,296
Fundraising	<u>825,045</u>	<u>-</u>	<u>825,045</u>
Total supporting services	<u>5,429,341</u>	<u>-</u>	<u>5,429,341</u>
Total expenses	<u>22,696,192</u>	<u>-</u>	<u>22,696,192</u>
Changes in net assets before other items	<u>7,091,109</u>	<u>(8,457,715)</u>	<u>(1,366,606)</u>
OTHER ITEMS			
Deobligation and return of grant funds	-	(1,500,000)	(1,500,000)
Gain on foreign currency exchange	<u>1,801</u>	<u>-</u>	<u>1,801</u>
Total other items	<u>1,801</u>	<u>(1,500,000)</u>	<u>(1,498,199)</u>
Changes in net assets	7,092,910	(9,957,715)	(2,864,805)
Net assets at beginning of year	<u>12,890,430</u>	<u>73,521,599</u>	<u>86,412,029</u>
NET ASSETS AT END OF YEAR	<u>\$ 19,983,340</u>	<u>\$ 63,563,884</u>	<u>\$ 83,547,224</u>

EVIDENCE ACTION, INC. AND AFFILIATES

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions and grants	\$ 4,523,028	\$ 16,472,714	\$ 20,995,742
Carbon revenue	2,024,021	-	2,024,021
Investment income	548,275	963,762	1,512,037
Other revenue	98,317	-	98,317
Contributed services	9,000	-	9,000
Net assets released from donor restrictions	<u>20,659,082</u>	<u>(20,659,082)</u>	<u>-</u>
Total revenue and support	<u>27,861,723</u>	<u>(3,222,606)</u>	<u>24,639,117</u>
EXPENSES			
Program Services:			
Deworm the World Initiative	8,299,093	-	8,299,093
Dispensers for Safe Water Program	7,770,179	-	7,770,179
Evidence Action Accelerator	<u>2,079,471</u>	<u>-</u>	<u>2,079,471</u>
Total program services	<u>18,148,743</u>	<u>-</u>	<u>18,148,743</u>
Supporting Services:			
Management and General	4,643,236	-	4,643,236
Fundraising	<u>682,916</u>	<u>-</u>	<u>682,916</u>
Total supporting services	<u>5,326,152</u>	<u>-</u>	<u>5,326,152</u>
Total expenses	<u>23,474,895</u>	<u>-</u>	<u>23,474,895</u>
Changes in net assets before other items	<u>4,386,828</u>	<u>(3,222,606)</u>	<u>1,164,222</u>
OTHER ITEMS			
Deobligation and return of grant funds	-	(400,391)	(400,391)
Gain on foreign currency exchange	<u>24,297</u>	<u>-</u>	<u>24,297</u>
Total other items	<u>24,297</u>	<u>(400,391)</u>	<u>(376,094)</u>
Changes in net assets	4,411,125	(3,622,997)	788,128
Net assets at beginning of year, as restated	<u>8,479,305</u>	<u>77,144,596</u>	<u>85,623,901</u>
NET ASSETS AT END OF YEAR	<u>\$ 12,890,430</u>	<u>\$ 73,521,599</u>	<u>\$ 86,412,029</u>

EVIDENCE ACTION, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services			Supporting Services			Total Expenses	
	Deworm the World Initiative	Dispensers for Safe Water Program	Evidence Action Accelerator	Total Program Services	Management and General	Fundraising		Total Supporting Services
Salaries	\$ 2,611,353	\$ 1,576,719	\$ 1,471,898	\$ 5,659,970	\$ 2,586,863	\$ 562,049	\$ 3,148,912	\$ 8,808,882
Payroll taxes and employee benefits	534,641	511,733	264,519	1,310,893	512,611	119,284	631,895	1,942,788
Contract services	1,654,407	131,864	444,678	2,230,949	671,363	76,225	747,588	2,978,537
Occupancy	170,894	263,703	65,389	499,986	215,881	24,778	240,659	740,645
Office expenses	394,508	256,783	48,424	699,715	101,238	5,696	106,934	806,649
Program management and material	906,735	1,821,473	105,206	2,833,414	(13,723)	-	(13,723)	2,819,691
Travel	749,417	302,903	133,711	1,186,031	61,055	-	61,055	1,247,086
Information technology	71,358	46,138	35,320	152,816	282,372	36,838	319,210	472,026
Insurance	4,174	3,786	675	8,635	56,665	-	56,665	65,300
Conferences and meetings	175,781	59,727	11,380	246,888	9,399	175	9,574	256,462
Grant awards	2,282,980	-	80,505	2,363,485	-	-	-	2,363,485
Bank finance charges, taxes and fees	(4,371)	(7,285)	4,318	(7,338)	47,643	-	47,643	40,305
Donation processing fees	36,557	3,610	221	40,388	36,636	-	36,636	77,024
Depreciation	32,010	-	9,009	41,019	36,293	-	36,293	77,312
TOTAL	\$ 9,620,444	\$ 4,971,154	\$ 2,675,253	\$ 17,266,851	\$ 4,604,296	\$ 825,045	\$ 5,429,341	\$ 22,696,192

See accompanying notes to consolidated financial statements.

EVIDENCE ACTION, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services			Supporting Services				Total Expenses
	Deworm the World Initiative	Dispensers for Safe Water Program	Evidence Action Accelerator	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 1,842,920	\$ 1,541,323	\$ 693,832	\$ 4,078,075	\$ 2,429,901	\$ 504,002	\$ 2,933,903	\$ 7,011,978
Payroll taxes and employee benefits	408,690	498,459	146,199	1,053,348	445,812	96,182	541,994	1,595,342
Contract services	2,943,905	129,351	1,148,393	4,221,649	659,251	14,931	674,182	4,895,831
Occupancy	155,210	259,741	44,152	459,103	226,647	26,709	253,356	712,459
Office expenses	200,048	358,369	4,973	563,390	98,308	8,583	106,891	670,281
Program management and material	1,111,142	4,501,472	1,259	5,613,873	30,314	-	30,314	5,644,187
Travel	513,285	320,889	33,602	867,776	15,862	955	16,817	884,593
Information technology	29,424	100,383	6,511	136,318	233,228	31,554	264,782	401,100
Insurance	4,290	4,805	37	9,132	24,451	-	24,451	33,583
Conferences and meetings	115,936	38,432	277	154,645	495	-	495	155,140
Grant awards	913,717	-	-	913,717	-	-	-	913,717
Bank finance charges, taxes and fees	9,937	10,861	207	21,005	16,619	-	16,619	37,624
Donation processing fees	33,826	4,568	29	38,423	27,314	-	27,314	65,737
Bad debt	-	-	-	-	395,805	-	395,805	395,805
Depreciation	16,763	1,526	-	18,289	39,229	-	39,229	57,518
TOTAL	\$ 8,299,093	\$ 7,770,179	\$ 2,079,471	\$ 18,148,743	\$ 4,643,236	\$ 682,916	\$ 5,326,152	\$ 23,474,895

See accompanying notes to consolidated financial statements.

EVIDENCE ACTION, INC. AND AFFILIATES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (2,864,805)	\$ 788,128
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	77,312	57,518
Gain on sale of fixed assets	(6,370)	-
Net realized and unrealized loss (gain) on investments	619,870	(789,092)
Receipt of donated securities	(89,344)	(61,557)
Proceeds from sale of donated securities	90,514	61,854
Realized gain on sale of donated securities	(1,170)	(297)
Change in measurement of right-of-use asset and lease liability	30,551	-
Change in discount on long-term receivables	(35,565)	(172,063)
Change in allowance for doubtful accounts	(395,805)	395,805
Extinguishment of debt	(500,000)	-
Decrease (increase) in:		
Contributions and grants receivable	5,375,338	(281,560)
Accounts, employee, and other receivables, net	(1,230,130)	269,155
Prepaid expenses	48,220	(76,620)
Security deposits	(52,962)	2,756
Increase (decrease) in:		
Accounts payable and accrued liabilities	158,298	(536,780)
Refundable advances	<u>(673,340)</u>	<u>689,253</u>
Net cash provided by operating activities	<u>550,612</u>	<u>346,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(140,181)	(29,126)
Net purchases of investments	<u>(344,915)</u>	<u>(701,016)</u>
Net cash used in investing activities	<u>(485,096)</u>	<u>(730,142)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	<u>-</u>	<u>500,000</u>
Net cash provided by financing activities	<u>-</u>	<u>500,000</u>
Net increase in cash and cash equivalents	65,516	116,358
Cash and cash equivalents at beginning of year	<u>12,571,610</u>	<u>12,455,252</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 12,637,126</u>	<u>\$ 12,571,610</u>
SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTIONS		
Right-of-Use Assets	<u>\$ 1,306,886</u>	<u>\$ -</u>
Operating Lease Liability for Right-of-Use Assets	<u>\$ 1,305,512</u>	<u>\$ -</u>

See accompanying notes to consolidated financial statements.

EVIDENCE ACTION, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organizations -

Evidence Action, Inc. (Evidence Action) is a 501(c)(3) non-profit organization, incorporated and headquartered in the District of Columbia. Evidence Action has assumed the management and growth responsibility of three programs (see "Program Services" section of this footnote) that are currently making a difference in the lives of millions of people in Africa and Asia.

Evidence Action maintains branch offices and affiliate organizations outside of the United States. The purpose of Evidence Action's local presence is to facilitate its in-country program activities and to ensure compliance with local laws (therefore minimizing risk to its overall operations). Evidence Action transfers cash to its branches and affiliates on a regular basis to ensure there is sufficient funding to implement its programs and meet ongoing commitments.

In accordance with accounting principles generally accepted in the United States of America, consolidation is required if an organization has significant influence/control over (i.e., major voting interest), and/or significant economic interest in (providing material support to), another entity. The net assets of Evidence Action's local affiliates are included in its consolidated net assets. In the event of dissolution (of any of these entities), any remaining net assets will be returned to Evidence Action. The branch offices and affiliated entities include the following:

Evidence Action Kenya: Branch office, established in 2013, under a Certificate of Compliance as required by Section 366 of the Companies Act of Kenya. The principal activity of the Kenya branch is to develop and de-risk business models for programs that aim to reduce poverty and spur growth in developing countries.

Evidence Action Uganda: Subsidiary non-profit organization, established in 2014 under the Companies Act of Uganda as a company limited by guarantee. Evidence Action Uganda was established for purposes of conducting Evidence Action's programmatic work in Uganda whose principal activity is to promote access to safe water.

Evidence Action Malawi: Subsidiary non-profit organization, established in 2014 and incorporated in 2017, as a private company limited by guarantee under the Malawi Companies Act, No. 15 of 2013. Evidence Action Malawi's principal activity is to scale proven development solutions to benefit millions of people around the world through the Dispensers for Safe Water Program.

Evidence Action Development Initiative Ltd/GTE (Nigeria): An organization established and incorporated in 2018 under the Companies and Allied Matters Act 1990 in Nigeria, as a private company limited by guarantee. Evidence Action Nigeria is dedicated to providing a school based deworming program for school children.

Evidence Action PTY LTD (Australia): An organization established in 2016 under the Corporations Act 2001 in Australia to facilitate employment of staff and ensure compliance with local laws. During the years ended December 31, 2021 and 2020, Evidence Action PTY LTD had no programmatic activity.

Evidence Action India (entity structure description): During 2020, Evidence Action established EAll, LLC, and during 2021 Evidence Action established EAI3, LLC (both of which Evidence Action is the sole member). Both entities are considered to be disregarded entities for tax purposes as they are limited liability companies under the laws of the District of Columbia. The reason for establishing these entities was to facilitate the creation of a local Indian company, EAll Advisors Private Limited, which was incorporated during 2020 as a Section 7 private limited company under the Companies Act of 2013. EAll Advisors Private Limited is limited by shares, which are owned by EAll, LLC and EAI3, LLC.

EVIDENCE ACTION, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

Organizations (continued) -

Evidence Action India (*entity structure description*) (continued): In accordance with a resolution passed by EAll, LLC, a total of 49,990 equity shares (of Indian Rs. 10 each, approximately \$6,700) were subscribed (with a member of the Evidence Action senior leadership team that has been appointed as a nominee shareholder allotted 10 equity shares of Rs. 10 each) in order to establish its sole membership in EAll Advisors Private Limited. Subsequently the 10 equity shares were transferred from the member of Evidence Action's senior leadership team to EAI3, LLC, who now holds these shares as the nominee shareholder on behalf of EAll, LLC. EAll Advisors Private Limited is an Indian private limited company which acts as Evidence Action's technical partner in India under a services agreement.

Evidence Action Liberia: A branch office established during 2021 in the Republic of Liberia that focuses on the revitalization of the health care delivery system in Liberia, particularly in the area of reproductive health. During the years ended December 31, 2021 and 2020, Evidence Action Liberia had no activity.

Principles of consolidation -

The consolidated financial statements include the accounts of Evidence Action, Inc. (including its branch offices in Kenya and Liberia) and affiliated entities (Evidence Action Uganda, Evidence Action Malawi, Evidence Action Nigeria, Evidence Action Australia, EAll, LLC, EAll Advisors Private Limited, and EAI 3, LLC collectively referred to as "the Organization." All intercompany transactions and balances have been eliminated in consolidation.

Basis of presentation -

The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America for 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". Assets restricted 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** - 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 Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. 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.

EVIDENCE ACTION, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

Program services -

Deworm the World Initiative: Evidence Action's Deworm the World Initiative helps to translate evidence into widespread practice by advocating for deworming to policymakers and providing technical assistance to launch, strengthen and sustain deworming programs. Evidence Action works directly with governments to rapidly scale programs targeting all at-risk school-age children. Regular deworming results in improved education, health, and long-term well-being for treated children.

Dispensers for Safe Water Program: Chlorine dispensers are an innovative, low-cost approach proven to increase rates of household chlorination of drinking water in rural areas of Sub-Saharan Africa. Chlorine disinfects drinking water while protecting it from recontamination for up to 72 hours. Evidence Action has continued to see high adoption rates of around 57% as they continue to operate in Kenya, Uganda and Malawi. Evidence Action is providing over four million people with access to safe water.

Evidence Action Accelerator: Evidence Action accelerator drives new program development, selecting high-potential interventions with massive opportunity for evidence-based, cost-effective impact. The Accelerator tests and refines delivery models with the goal of rapidly scaling interventions with levels of impact similar to our existing programs.

New accounting pronouncement adopted -

During 2021, the Organization early adopted ASU 2019-01, *Leases* (Topic 842), which changed 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 Statements of Financial Position and disclosure of key information about leasing arrangements. The Organization applied the new standard at the inception of a new lease that began in 2021 and also the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. See Note 8 for details related to the treatment of the lease.

Cash and cash equivalents -

The Organization 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, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal. The Organization maintains numerous bank accounts in foreign countries, which are largely uninsured. Total cash and cash equivalents held outside the United States was \$898,595 and \$980,701 as of December 31, 2021 and 2020, respectively.

Foreign currency translation -

The U.S. Dollar is the functional currency for the Organization. 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 non-U.S. currency are translated into dollars at the exchange rate in effect as of the date of the Consolidated Statements of Financial Position.

EVIDENCE ACTION, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

Foreign currency translation (continued) -

Gains and losses on translation of foreign currencies are included in the Consolidated Statements of Activities and Changes in Net Assets.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses net of investment fees are included in investment (loss) income in the Consolidated Statements of Activities and Changes in Net Assets. Investments acquired by gift are recorded at their fair value at the date of the gift. Evidence Action's policy is to liquidate all gifts of investments as soon as possible after the gift.

Receivables -

Contributions and grants receivable are presented at estimated fair value. Contributions and grants receivable that are expected to be collected in future years are recorded at their fair value, measured as the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Accretion of the discounts is included in contributions and grants revenue.

Accounts, employee and other receivables are expected to be collected within one year. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and historical experience. As a result of these reviews, management establishes an allowance as a best estimate of probable losses. All contribution and grants receivable balances, or portions thereof, that are deemed to be uncollectable, or that require excessive collection cost, are written off. Applying the direct write off method does not produce results that are materially different from an allowance applied on an ongoing basis.

Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred.

Depreciation expense for the years ended December 31, 2021 and 2020 totaled \$77,312 and \$57,518, respectively.

Income taxes -

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

EAll, LLC and EAI 3, LLC are wholly owned by Evidence Action and are considered disregarded entities by the Internal Revenue Service. As such, EAll and EAI 3, LLC's activity is reported each year within Evidence Action's tax filings.

EVIDENCE ACTION, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

Income taxes (continued) -

Evidence Action Uganda, Evidence Action Malawi, and Evidence Action Nigeria are registered (in each respective country) as tax-exempt organizations. Evidence Action Kenya (branch office) has tax exempt status through Evidence Action's IRS exempt status (as well as local tax exempt status from the Kenya Revenue Authority). Evidence Action Australia and EAll Advisors Private Limited are not tax-exempt organizations; however, no tax liability was realized by either entity during the years ended December 31, 2021 and 2020.

Uncertain tax positions -

For the years ended December 31, 2021 and 2020, the Organization has considered potential uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Revenue -

Contributions and grants are recognized in the appropriate category of net assets in the period received. Evidence Action performs an analysis of the individual award 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.

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

Awards qualifying as conditional contributions contain a right of return from obligation provision that limits Evidence Action 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. Evidence Action recognizes revenue for these conditional contributions when the related barrier has been overcome; any funds received in advance are recorded as deferred revenue. As of December 31, 2021 and 2020, Evidence Action had \$6,103,994 and \$3,432,556, respectively, of unrecognized conditional awards (not yet recorded as revenue in the accompanying consolidated financial statements).

The Organization also receives income which is considered non-assistance and therefore treated as an exchange transaction; such income is recorded based on the guidance included in ASU 2014-09, *Revenue from Contracts With Customers*. The transaction price is based on the fee terms stipulated in the related agreements. Accordingly, revenue is recorded based on those terms and as performance obligations are met. The revenue is presented as "without donor restrictions" in the accompanying consolidated financial statements. Income received in advance are recorded as refundable advances; amounts due the Organization are recorded as accounts receivable.

Carbon revenue -

Carbon revenue is generated by the sale of Certified Emission Reductions generated by the Dispensers for Safe Water Program under the UNFCCC's Clean Development Mechanism.

EVIDENCE ACTION, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

Carbon revenue (continued) -

Carbon revenue is recognized based on the guidance in ASU 2014-09 (noted above), and revenue is recorded when the carbon emission reduction credits are sold (signifying the performance obligation has been met).

Contributed services -

Contributed services consist of pro-bono legal services. Contributed services are recorded at their estimated fair value as of the date of the gift based upon the donors' and management's estimates. During the year ended December 31, 2020, Evidence Action received \$9,000 of contributed services (none received in 2021).

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 significantly 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 Statements of Activities and Changes 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 the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Investment risks and uncertainties -

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Fair value measurement -

The Organization utilizes a framework for measuring fair value based upon a fair value hierarchy utilizing inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) to measure fair value, and enhances disclosure requirements for fair value measurements. The Organization accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

EVIDENCE ACTION, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

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 an 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.

The Organization plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption methods and the impact of the new standard on its accompanying consolidated financial statements.

2. INVESTMENTS

The Organization 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 Statements 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 the Organization 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 or transfers between levels as of December 31, 2021 and 2020. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money market funds* - The fair value is equal to the reported net asset value of the fund.
- *Corporate bonds* - Valued at the closing price reported on the active market in which the individual securities are traded.

EVIDENCE ACTION, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

2. INVESTMENTS (Continued)

The table below summarizes, by level within the fair value hierarchy, the Organization's investments as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Money market funds	\$ 36,166,551	\$ -	\$ -	\$ 36,166,551
Corporate bonds	<u>28,732,845</u>	<u>-</u>	<u>-</u>	<u>28,732,845</u>
TOTAL	<u>\$ 64,899,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,899,396</u>

The table below summarizes, by level within the fair value hierarchy, the Organization's investments as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Money market funds	\$ 36,160,982	\$ -	\$ -	\$ 36,160,982
Corporate bonds	<u>29,013,369</u>	<u>-</u>	<u>-</u>	<u>29,013,369</u>
TOTAL	<u>\$ 65,174,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,174,351</u>

Included in investment (loss) income are the following during the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 353,011	\$ 722,945
Net realized and unrealized (loss) gain	<u>(619,870)</u>	<u>789,092</u>
TOTAL INVESTMENT (LOSS) INCOME	<u>\$ (266,859)</u>	<u>\$ 1,512,037</u>

3. CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributors to the Organization have made written promises to give, of which \$3,683,964 and \$9,059,302, respectively, remained due and outstanding as of December 31, 2021 and 2020. Contributions and grants due in more than one year have been recorded at the present value of the estimated cash flows, using a discount rate of 3.25% for the years ended December 31, 2021 and 2020, respectively. Contributions and grants are due as follows as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 2,683,964	\$ 6,445,182
One to five years	<u>1,000,000</u>	<u>2,614,120</u>
Total	3,683,964	9,059,302
Less: Allowance to discount estimated cash flows to present value	<u>(46,720)</u>	<u>(82,285)</u>
	3,637,244	8,977,017
Less: Current portion	<u>(2,683,964)</u>	<u>(6,445,182)</u>
CONTRIBUTIONS AND GRANTS RECEIVABLE, NET OF CURRENT PORTION AND PRESENT VALUE DISCOUNT	<u>\$ 953,280</u>	<u>\$ 2,531,835</u>

EVIDENCE ACTION, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

4. PAYCHECK PROTECTION PROGRAM (PPP) LOAN

On May 1, 2020, the Organization received loan proceeds in the amount of \$500,000 under the Paycheck Protection Program (PPP). The promissory note required monthly principal and interest payments amortized over the two-year term of the promissory note with a deferral of payments for the first six months. The annual interest rate is 1%. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration (SBA) in whole or in part.

During the year ended December 31, 2021, the Organization used the proceeds for purposes consistent with the PPP, and the loan was forgiven by the SBA during 2021; accordingly, the extinguishment of debt was recognized as contribution income in the 2021 Consolidated Statement of Activities and Changes in Net Assets.

5. NET ASSETS WITHOUT DONOR RESTRICTIONS

As of December 31, 2021 and 2020, net assets without donor restrictions includes the following:

	2021	2020
Board designated net assets:		
Operating reserve	\$ 2,626,749	\$ 2,591,968
Undesignated net assets	17,356,591	10,298,462
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 19,983,340	\$ 12,890,430

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31, 2021 and 2020:

	2021	2020
Deworm the World Initiative	\$ 43,790,171	\$ 50,793,092
Dispensers for Safe Water Program	4,803,936	4,399,732
Evidence Action Accelerator	7,015,448	8,675,688
Organizational Strengthening	7,954,329	9,653,087
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 63,563,884	\$ 73,521,599

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

	2021	2020
Program expenses including administrative costs:		
Deworm the World Initiative	\$ 11,389,972	\$ 9,691,066
Dispensers for Safe Water Program	3,900,902	7,907,250
Evidence Action Accelerator	2,975,062	2,425,494
Non-program expenses for:		
Organizational Strengthening	1,898,278	635,272
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ 20,164,214	\$ 20,659,082

EVIDENCE ACTION, INC. AND AFFILIATES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

7. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statements of Financial Position date comprise the following at December 31, 2021 and 2020:

	2021	2020
Cash and cash equivalents	\$ 12,637,126	\$ 12,571,610
Investments	64,899,396	65,174,351
Contributions and grants receivable	3,637,244	8,977,017
Accounts, employee, and other receivables, net	2,999,397	1,373,462
Subtotal financial assets	84,173,163	88,096,440
Less: Donor restricted funds	(63,563,884)	(73,521,599)
Less: Board-designated funds	(2,626,749)	(2,591,968)

FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS

FOR GENERAL EXPENDITURES WITHIN ONE YEAR **\$ 17,982,530** **\$ 11,982,873**

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

8. LEASE COMMITMENTS

On March 19, 2018, the Organization entered into a 42-month agreement which terminated on October 31, 2021 to lease office space in Washington, D.C. Base rent was \$294,170 a year, increasing by a factor of 4% per year. The lease included six months of abated rent at a rate of 50% in the first year of the lease.

On June 14, 2021, the Organization entered into a 74-month agreement (commencing on October 1, 2021 and terminating on November 30, 2027) to sublease office space in Washington, D.C. Base rent is \$191,488 per annum, increasing by a factor of 4% per year. The lease includes 50% of abated rent for fourteen months in the first two years of the lease.

Additionally, the Organization entered into a 73-month agreement (commencing on February 1, 2021 and terminating on January 31, 2027) to lease warehouse space in Kenya. Base rent is approximately \$28,000 per annum. The Organization entered into a second lease agreement in Kenya (commencing on July 1, 2022 and terminating on June 30, 2028) for office space. Base rent is approximately \$22,000 per annum for the first three years of the lease. Base rent for the last three years of the office lease in Kenya is approximately \$24,000 per annum.

During 2021, the Organization early-adopted ASU 2019-01, *Leases* (Topic 842). The ASU changed 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 Statements of Financial Position and disclosure of key information about leasing arrangements. The Organization elected the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. The Organization also elected to apply the short-term lease exemption.

EVIDENCE ACTION, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

8. LEASE COMMITMENTS (Continued)

The Organization also elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. The Organization adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs. As a result, the Organization recorded a right-of-use asset in the amount of \$1,306,886; the Organization recorded an operating lease liability in the amount of \$1,305,512 by calculating the present value using the discount rate of 3.25%.

In addition, the Organization leases office space under shorter-term agreements in the Republic of Uganda, the Republic of Malawi, the Republic of Nigeria and India. These operating leases expire on various dates through 2023.

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

Year Ending December 31,

2022	\$ 204,589
2023	273,262
2024	281,304
2025	291,890
2026	302,810
Thereafter	<u>290,620</u>
	<u>\$ 1,644,475</u>

Occupancy costs (including utilities, repairs and other occupancy-related costs) for the years ended December 31, 2021 and 2020 totaled \$740,645 and \$712,459, respectively.

9. RETIREMENT PLAN

The Organization provides retirement benefits to its eligible employees. The type of plan and matching contribution differ in each country in which it has operations, with a maximum employer contribution of 10%. Contributions to the Plans during the years ended December 31, 2021 and 2020 totaled \$480,426 and \$392,579, respectively.

10. DEOBLIGATION AND RETURN OF GRANT FUNDS

During the year ended December 31, 2020, funders deobligated grant funds of \$400,391 that were previously awarded to the Organization; the deobligation is reflected as an "Other Item" in the accompanying Consolidated Statement of Activities and Change in Net Assets.

During 2022, management was informed about an estimated \$1,500,000 deobligation of funds by a donor under an award with a term ending on September 30, 2022. The grant was awarded (and recorded as revenue) prior to the 2021 fiscal year, and therefore, the estimated deobligation was recorded as a reduction of the grant receivable balance (due to its impaired collectibility) and has also been reflected as an Other Item in the accompanying 2021 Consolidated Statement of Activities and Change in Net Assets.

EVIDENCE ACTION, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

11. CONCENTRATION OF REVENUE

During the years ended December 31, 2021 and 2020, approximately 28% and 30%, respectively, of the Organization's revenue was derived from awards from three donors, respectively. While any interruption of relationships with these donors could adversely affect the Organization's financial position, it is confident that it has a stable and diversified base as well as substantial net assets and operating reserves to continue ongoing operations if any of the relationships with the donors are discontinued.

12. RELATED ENTITY

The Organization maintained service agreements with Pramanit Karya India Private Limited (PKIPL) for consulting services. On April 1, 2018, a three-year service agreement was executed. While the Organization provided 100% of PKIPL's revenue during any given financial year (March 31st fiscal year-end), it did not maintain significant influence (or exercise control) over PKIPL, and therefore, the financial activities are not consolidated in these financial statements. During the year ended December 31, 2020, the Organization paid PKIPL \$3,340,262 for consulting related services. During the year ended December 31, 2021, the service agreement with PKIPL was terminated.

13. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 7, 2022, the date the consolidated financial statements were issued.

In recent months, US benchmark interest rates have risen significantly, causing bond prices to fall. As of the date of this report, the Organization's investments have declined by approximately 4% (\$3.3 million) since December 31, 2021. All investments have been made in accordance with the Organization's investment policy whereby surplus cash is invested in short term government and investment grade fixed income instruments with a duration of 0 to 5 years and considering the duration of expected expenditures.

SUPPLEMENTAL INFORMATION

EVIDENCE ACTION, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

ASSETS							
	Evidence Action U.S.	Evidence Action Uganda	Evidence Action Malawi	Evidence Action Nigeria	EA India	Eliminations	Total
CURRENT ASSETS							
Cash and cash equivalents	\$ 12,200,112	\$ 63,554	\$ 59,554	\$ 165,077	\$ 148,829	\$ -	\$ 12,637,126
Investments	64,899,396	-	-	-	-	-	64,899,396
Contributions and grants receivable	2,683,964	-	-	-	-	-	2,683,964
Accounts, employee and other receivables, net	2,947,030	87	1,097	11,604	70,620	(31,041)	2,999,397
Prepaid expenses	471,505	27,766	40,402	6,693	5,449	26,798	578,613
Total current assets	83,202,007	91,407	101,053	183,374	224,898	(4,243)	83,798,496
FIXED ASSETS							
Furniture and equipment	182,549	-	-	-	115,397	-	297,946
Vehicles	196,346	-	-	-	-	43,779	240,125
	378,895	-	-	-	115,397	43,779	538,071
Less: Accumulated depreciation	(329,703)	-	-	-	(23,595)	-	(353,298)
Net fixed assets	49,192	-	-	-	91,802	43,779	184,773
NONCURRENT ASSETS							
Contributions and grants receivable, net of current portion and present value discount	953,280	-	-	-	-	-	953,280
Deposits	84,419	598	1,616	-	18,465	-	105,098
Right-of-use assets	1,236,406	-	-	30,229	-	(30,229)	1,236,406
Investment in subsidiary	6,729	-	-	-	-	(6,729)	-
Total noncurrent assets	2,280,834	598	1,616	30,229	18,465	(36,958)	2,294,784
TOTAL ASSETS	\$ 85,532,033	\$ 92,005	\$ 102,669	\$ 213,603	\$ 335,165	\$ 2,578	\$ 86,278,053
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts payable and accrued liabilities	\$ 1,192,633	\$ 227,713	\$ 55,529	\$ 138,116	\$ 179,072	\$ (345,104)	\$ 1,447,959
Refundable advances	15,913	-	-	78,186	-	(78,186)	15,913
Lease liability	111,365	-	-	-	-	-	111,365
Total current liabilities	1,319,911	227,713	55,529	216,302	179,072	(423,290)	1,575,237
NONCURRENT LIABILITY							
Lease liability, net of current portion	1,155,592	-	-	-	-	-	1,155,592
Total liabilities	2,475,503	227,713	55,529	216,302	179,072	(423,290)	2,730,829
NET ASSETS							
Net assets without donor restrictions	19,492,919	(135,708)	46,867	(2,699)	156,093	425,868	19,983,340
Net assets with donor restrictions	63,563,611	-	273	-	-	-	63,563,884
Total net assets	83,056,530	(135,708)	47,140	(2,699)	156,093	425,868	83,547,224
TOTAL LIABILITIES AND NET ASSETS	\$ 85,532,033	\$ 92,005	\$ 102,669	\$ 213,603	\$ 335,165	\$ 2,578	\$ 86,278,053

EVIDENCE ACTION, INC. AND AFFILIATES

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions						Total
	Evidence Action U.S.	Evidence Action Uganda	Evidence Action Malawi	Evidence Action Nigeria	EA India	Eliminations	
REVENUE AND SUPPORT							
Contributions and grants	\$ 6,437,520	\$ 1,031,733	\$ 733,935	\$ 1,164,534	\$ -	\$(2,930,202)	\$ 6,437,520
Carbon revenue	3,225,125	-	-	-	-	-	3,225,125
Consulting revenue	-	-	-	-	1,851,714	(1,851,714)	-
Investment loss, net	(103,350)	-	-	-	-	-	(103,350)
Other revenue	57,400	6,270	-	122	-	-	63,792
Net assets released from donor restrictions	20,164,214	-	-	-	-	-	20,164,214
Total revenue and support	29,780,909	1,038,003	733,935	1,164,656	1,851,714	(4,781,916)	29,787,301
EXPENSES							
Program Services:							
Deworm the World Initiative	9,316,068	10,418	-	1,548,309	1,056,827	(2,311,178)	9,620,444
Dispensers for Safe Water Program	5,000,640	1,012,437	704,737	-	-	(1,746,660)	4,971,154
Evidence Action Accelerator	2,734,183	14,410	5,958	9,052	630,097	(718,447)	2,675,253
Total program services	17,050,891	1,037,265	710,695	1,557,361	1,686,924	(4,776,285)	17,266,851
Supporting Services:							
Management and General	4,542,594	27,726	8,962	24,932	-	82	4,604,296
Fundraising	825,045	-	-	-	-	-	825,045
Total supporting services	5,367,639	27,726	8,962	24,932	-	82	5,429,341
Total expenses	22,418,530	1,064,991	719,657	1,582,293	1,686,924	(4,776,203)	22,696,192
Change in net assets before other items	7,362,379	(26,988)	14,278	(417,637)	164,790	(5,713)	7,091,109
OTHER ITEMS							
Deobligation and return of grant funds	-	-	-	-	-	-	-
Gain on foreign currency exchange	(1,964)	3,835	16,013	241,587	(8,697)	(248,973)	1,801
Total other items	(1,964)	3,835	16,013	241,587	(8,697)	(248,973)	1,801
Change in net assets	7,360,415	(23,153)	30,291	(176,050)	156,093	(254,686)	7,092,910
Net asset at beginning of year	12,132,504	(112,555)	16,576	173,351	-	680,554	12,890,430
NET ASSETS AT END OF YEAR	\$ 19,492,919	\$ (135,708)	\$ 46,867	\$ (2,699)	\$ 156,093	\$ 425,868	\$ 19,983,340

EVIDENCE ACTION, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	With Donor Restrictions						Total	Total
	Evidence Action U.S.	Evidence Action Uganda	Evidence Action Malawi	Evidence Action Nigeria	EA India	Eliminations		
REVENUE AND SUPPORT								
Contributions and grants	\$ 11,870,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,870,008	\$ 18,307,528
Carbon revenue	-	-	-	-	-	-	-	3,225,125
Consulting revenue	-	-	-	-	-	-	-	-
Investment loss, net	(163,657)	-	148	-	-	-	(163,509)	(266,859)
Other revenue	-	-	-	-	-	-	-	63,792
Net assets released from donor restrictions	(20,164,214)	-	-	-	-	-	(20,164,214)	-
Total revenue and support	(8,457,863)	-	148	-	-	-	(8,457,715)	21,329,586
EXPENSES								
Program Services:								
Deworm the World Initiative	-	-	-	-	-	-	-	9,620,444
Dispensers for Safe Water Program	-	-	-	-	-	-	-	4,971,154
Evidence Action Accelerator	-	-	-	-	-	-	-	2,675,253
Total program services	-	-	-	-	-	-	-	17,266,851
Supporting Services:								
Management and General	-	-	-	-	-	-	-	4,604,296
Fundraising	-	-	-	-	-	-	-	825,045
Total supporting services	-	-	-	-	-	-	-	5,429,341
Total expenses	-	-	-	-	-	-	-	22,696,192
Change in net assets before other items	(8,457,863)	-	148	-	-	-	(8,457,715)	(1,366,606)
OTHER ITEMS								
Deobligation and return of grant funds	(1,500,000)	-	-	-	-	-	(1,500,000)	(1,500,000)
Gain on foreign currency exchange	-	-	-	-	-	-	-	1,801
Total other items	(1,500,000)	-	-	-	-	-	(1,500,000)	(1,498,199)
Change in net assets	(9,957,863)	-	148	-	-	-	(9,957,715)	(2,864,805)
Net asset at beginning of year	73,521,474	-	125	-	-	-	73,521,599	86,412,029
NET ASSETS AT END OF YEAR	\$ 63,563,611	\$ -	\$ 273	\$ -	\$ -	\$ -	\$ 63,563,884	\$ 83,547,224