

**IMAGO GLOBAL GRASSROOTS
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITORS' REPORT

Imago Global Grassroots
Washington, DC

We have audited the accompanying statement of financial position of Imago Global Grassroots (IMAGO), as of December 31, 2022, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Imago Global Grassroots, as of December 31, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Roberts & Associates

Washington, DC
September 12, 2023

IMAGO GLOBAL GRASSROOTS

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS		<u>2022</u>
Current Assets:		
Cash	\$	3,154,348
Cash Investments		25,685
Grants Receivable		-
Prepaid Expenses		<u>7,080</u>
Total Current Assets		<u>3,187,113</u>
Property & Equipment:		
Computer & Equipment		8,808
Website		3,250
Accumalated Depreciation		<u>(11,085)</u>
Total Property & Equipment		<u>973</u>
TOTAL ASSETS	\$	<u><u>3,188,086</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$	44,448
Credit Card Payable		2,156
Deferred Revenue		<u>1,490,064</u>
Total Liabilities		<u>1,536,668</u>
Net Assets:		
With Donor Restrictions		1,200,000
Without Donor Restrictions		<u>451,418</u>
Total Net Assets		<u>1,651,418</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>3,188,086</u></u>

See accompanying notes to financial statements

IMAGO GLOBAL GRASSROOTS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

Net Assets Without Donor Restriction:	
Support	
Program Income	\$ 505,958
Contribution Income	65,253
In-kind contribution	180,000
Grants Income	<u>337,412</u>
 Total Support	 <u>1,088,623</u>
 Revenue From Operations	
Dividend Income	315
Unrealized Gain (Loss)	<u>(3,489)</u>
Total Revenue from Operations	<u>(3,174)</u>
 Total Unrestricted Support	 <u>1,085,449</u>
 Expenses	
Program Services	1,116,772
Management & General	31,064
Fundraising	<u>146,944</u>
 Total Expenses	 <u>1,294,780</u>
 Increase in Net Assets Without Donor Restriction	 <u>(209,331)</u>
 Net Assets With Donor Restriction:	
Donor Restricted Grant Income	1,537,412
Released from restriction	<u>(337,412)</u>
 Increase (Decrease) in Donor Restricted Net Assets	 <u>1,200,000</u>
 Total Increase (Decrease) in Net Assets	 990,669
 Net Assets, Beginning of Year	 <u>660,749</u>
 Net Assets, End of Year	 \$ <u><u>1,651,418</u></u>

See accompanying notes to financial statements

IMAGO GLOBAL GRASSROOTS

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services	Management & General	Fund Raising	Total
Accounting & Legal	\$ -	\$ 10,434	\$ 186	\$ 10,620
Advertising & Promotion	1,620	1,020	360	3,000
Professional Development	3,676	-	-	3,676
Sub Contractors	802,362	-	135,305	937,667
Salary	185,501	-	-	185,501
Payroll Tax	16,485	-	-	16,485
Payroll Service Fees	9,045	-	-	9,045
Depreciation	-	1,506	-	1,506
Dues & Subscriptions	-	6,367	-	6,367
Travel & Meeting Expense	91,188	3,095	8,545	102,828
Meals & Entertainment	-	184	-	184
Supplies & Materials	192	669	184	1,045
Office Expenses	374	205	465	1,044
Bank Charges	1,480	810	1,844	4,134
Telephone	-	126	-	126
Insurance	-	388	-	388
License & Fees	-	3,007	-	3,007
Web & IT Services	-	20	55	75
Rent	4,849	3,233	-	8,082
	<u>\$ 1,116,772</u>	<u>\$ 31,064</u>	<u>\$ 146,944</u>	<u>\$ 1,294,780</u>

See accompanying notes to financial statements

IMAGO GLOBAL GRASSROOTS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	\$ 990,669
Adjustments to reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	1,506
(Increase) Decrease in Operating Assets	
Grants Receivable	500,705
Prepaid Expenses	(6,392)
Increase (Decrease) in Operating Liabilities	
Accounts Payable	(37,705)
Credit Card Payable	15,498
Deferred Revenue	(87,789)
NET INCREASE IN CASH FROM OPERATING ACTIVITIES	<u>1,376,492</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	-
Securities Transfers & Purchases	3,174
NET CASH USED IN INVESTING ACTIVITIES	<u>3,174</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>1,379,666</u>
Cash Balance, Beginning of Year	<u>1,774,682</u>
Cash Balance, End of Year	\$ <u><u>3,154,348</u></u>

See accompanying notes to financial statements

IMAGO GLOBAL GRASSROOTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

Note 1 - Organization & Purpose

IMAGO Global Grassroots (IMAGO) is a non-profit organization, incorporated in the District of Columbia and located in Washington, D.C. IMAGO is committed to working with grassroots organizations and their members to transform poverty into dignity and material well-being. IMAGO works around the world with existing organizations to enhance their strengths, build their capacity, and scale up their impact in a way that respects their unique context, attributes and evolution.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation:

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASS) Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". 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 Statement of Activities and Change 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. IMAGO had \$1,200,000 in net assets with donor restrictions as of December 31, 2022.

IMAGO GLOBAL GRASSROOTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Note 2 - Summary of Significant Accounting Policies (Continued)

The 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 IMAGO's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

New accounting pronouncements adopted:

During 2022, IMAGO adopted Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way IMAGO recognized revenue; however, the presentation and disclosures of revenue have been enhanced. IMAGO has elected to opt out of all (or certain) disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

Also during 2022, IMAGO adopted ASU 2018-08, Not-for-Profit Entities {Topic 958}: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. IMAGO adopted the ASU using a modified prospective basis.

Cash and Cash Equivalents:

IMAGO 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, IMAGO maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Grants receivable:

Grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible within one year. There was no Grants Receivable reported as of 12/31/2022.

IMAGO GLOBAL GRASSROOTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Note 2 - Summary of Significant Accounting Policies (Continued)

Fixed assets:

Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three years. The cost of maintenance and repairs is recorded as expenses are incurred. Website development costs are amortized over three years once placed in service. Depreciation and amortization expense for the year ended December 31, 2022 totaled \$1,506.

Income Taxes:

IMAGO 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 financial statements. IMAGO is not a private foundation.

Uncertain tax positions:

For the year ended December 31, 2022, IMAGO has documented its consideration of FASB ASC 740-10, Income Taxes, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Revenue and support:

For contributions and contracts qualifying under the contributions rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the condition on which they depend are substantially met.

Contributions and contracts qualifying as contributions that are unconditional that 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; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. Fee for services is classified as exchange transactions follow ASU 2014-09, Revenue from Contracts with Customers and record revenue when the performance obligations are met. The revenue is recorded directly to without donor restrictions and the transaction price is based on expenses incurred in compliance with the criteria stipulated in the contract agreements.

IMAGO GLOBAL GRASSROOTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Note 2 - Summary of Significant Accounting Policies (Continued)

Contributed services:

Contributed services, which consist of management and program administration services, are recorded at their fair value as of the date of the gift. The fair value of these services was estimated to be \$180,000 for the year ended December 31, 2022, and are included in subcontractors' expense in the accompanying Statement of Functional Expenses.

Use of estimates:

The preparation of the 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 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 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 IMAGO are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a reasonable basis that is consistently applied. Travel and meeting costs are recorded based its usage. For professional fees and subcontractors, the expenses have been allocated based on the yearly estimate of time allocation for each function. All other expenses have been allocated using the same share of time allocation of subcontractors and employees.

Reclassification:

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

New accounting pronouncement not yet adopted:

FASB issued ASU 2019-01, Leases (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements.

IMAGO GLOBAL GRASSROOTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Note 2 - Summary of Significant Accounting Policies (Continued)

New accounting pronouncement not yet adopted: (continued)

The ASU is effective for non-public entities beginning after December 15, 2021. Early adoption is permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

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

Note 3 - Liquidity and Availability

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

Cash and cash equivalents	\$	3,180,033
Grant receivable	\$	-
		<hr/>
Financial Assets Available to meet cash needs For General Expenditures within One Year	\$	<u>3,180,033</u>

IMAGO has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2022, IMAGO had financial assets equal to approximately two and half years of operating expenses.

Note 4 - Occupancy

During the year ended December 31, 2022, IMAGO had a leased office space in Washington, D.C. The lease agreement is renewed on March 1st on an annual basis. Base rent is \$634 per dedicated desk per month; however, it varies depending on the number of additional offices/desks rented. Occupancy expense for the year ended December 31, 2022 totaled \$8,082.

IMAGO GLOBAL GRASSROOTS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Note 5 - Subsequent Events

The Organization has evaluated subsequent events through September 12, 2023, the date which the financial statements were available to be issued.