P/O 17076389 /20

In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

DON'T STAPLE

OS AA01

Statement of details of parent law and other information for an overseas company

Companies House

✓ **What this form is for**
You may use this form to accompany your accounts disclosed under parent law.

✗ **What this form is NOT**
You cannot use this form an alteration of manner with accounting require

FRIDAY

ACHXEQEG
A05 08/12/2023 #54
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ❶	CIVICUS: WORLD ALLIANCE FOR CITIZEN PARTICIPA
UK establishment number	B R 0 1 1 7 2 5

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

❶ This is the name of the company in its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and audited.

Legislation ❷	FASB ASU 2016-14 Not for Profit

❷ This means the relevant rules or legislation which regulates the preparation of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3**.

☑ **Yes.** Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3**.

Name of organisation or body ❸	Financial Accounting Standards Board

❸ Please insert the name of the appropriate accounting organisation or body.

OS AA01

Statement of details of parent law and other information for an overseas company

A3 Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. ☐ **No.** Go to **Part 3 'Signature'**. ☑ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.	❶ Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body ❶		

Part 3 Signature

	I am signing this form on behalf of the overseas company.
Signature	Signature X X
	This form may be signed by: Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: Claire Nylander

Company name: CIVICUS: World Alliance for Citizen Paricipation

Address: Studio 4 Tintagel House

92 Albert Embankment

Post town: London

County/Region:

Postcode: S E 1 7 T Y

Country:

DX:

Telephone:

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address:

England and Wales:
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Crown Way, Cardiff, Wales, CF14 3UZ.
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Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

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Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
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CIVICUS: WORLD ALLIANCE FOR CITIZEN PARTICIPATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023

CIVICUS: WORLD ALLIANCE FOR CITIZEN PARTICIPATION, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

CONTENTS

	PAGE
Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

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BETHESDA, MD 20814
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CIVICUS: World Alliance for Citizen Participation, Inc.

Opinion

We have audited the accompanying financial statements of CIVICUS: World Alliance for Citizen Participation, Inc. (CIVICUS), which comprise the statement of financial position as of June 30, 2023, and the related statement of activities, 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 CIVICUS as of June 30, 2023, and the changes 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 Financial Statements section of our report. We are required to be independent of CIVICUS 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.

Prior Period Financial Statements

The financial statements of CIVICUS as of and for the year ended June 30, 2022, were audited by other auditors whose report dated October 27, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 CIVICUS's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 CIVICUS'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 CIVICUS'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.

Calibre CPA Group, PLLC

Bethesda, MD
October 30, 2023

CIVICUS: WORLD ALLIANCE FOR CITIZEN PARTICIPATION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 6,175,114	$ 5,949,546
Investments	-	1,000,370
Grants and contributions receivable	4,644,172	2,025,000
Advances to subgrantees	326,836	991,766
Prepaid expenses and other assets	152,998	72,319
Total current assets	11,299,120	10,039,001
Property and equipment		
Furniture and fixtures	5,973	5,973
Computer equipment and software	133,805	132,480
	139,778	138,453
Less: accumulated depreciation and amortization	(118,490)	(107,759)
Net property and equipment	21,288	30,694
Noncurrent assets		
Grants receivable, net of current portion	4,233,180	6,563,767
Total assets	$ 15,553,588	$ 16,633,462
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	720,406	398,003
Refundable advances	2,554,112	4,295,346
Total liabilities	3,274,518	4,693,349
Net assets		
Without donor restrictions	2,161,521	1,958,708
With donor restrictions	10,117,549	9,981,405
Total net assets	12,279,070	11,940,113
Total liabilities and net assets	$ 15,553,588	$ 16,633,462

See accompanying notes to financial statements.

CIVICUS: WORLD ALLIANCE FOR CITIZEN PARTICIPATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue				
Grants and contributions	$ 8,540,208	$ 1,958,073	$ 10,498,281	$ 11,144,128
Program income	2,880	-	2,880	10,277
Other income	71,550	-	71,550	1,007
Net assets released from donor restrictions	1,821,929	(1,821,929)	-	-
Total support and revenue	10,436,567	136,144	10,572,711	11,155,412
Expenses				
Program services	8,818,516	-	8,818,516	7,265,888
Supporting services				
General and administrative	1,377,406	-	1,377,406	891,923
Fundraising	37,832	-	37,832	35,646
Total supporting services	1,415,238	-	1,415,238	927,569
Total expenses	10,233,754	-	10,233,754	8,193,457
Change in net assets	202,813	136,144	338,957	2,961,955
Net assets				
Beginning of year	1,958,708	9,981,405	11,940,113	8,978,157
End of year	$ 2,161,521	$ 10,117,549	$ 12,279,070	$ 11,940,112

See accompanying notes to financial statements.

CIVICUS: WORLD ALLIANCE FOR CITIZEN PARTICIPATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023												2022
	Program Services								Supporting Services				
	ADVOCACY AND CAMPAIGNS	COMMUNICATIONS	CS RESOURCING	INNOVATION AND IMPACT	MEMBERSHIP AND NETWORKS	RESEARCH	STRATEGY AND GOVERNANCE	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Bank fees and other finance charges	$ 10,557	$ 10	$ 6,682	$ 343	$ 855	$ -	$ 8	$ 18,455	$ 51,476	$ -	$ 51,476	$ 69,931	$ 71,348
Communication	1,650	23,520	11,099	-	1,000	6,974	-	44,243	5,241	-	5,241	49,484	55,537
Depreciation and amortization	-	-	-	-	-	-	-	-	10,745	-	10,745	10,745	18,566
Governance oversight	-	-	1,022	-	-	-	36,297	37,319	1,550	-	1,550	38,869	27,162
Media publications	-	-	-	-	-	-	-	-	-	-	-	-	30,000
Occupancy	-	-	-	-	-	-	-	-	44,810	-	44,810	44,810	37,585
Office supplies and services	11,618	23,974	819	14,895	3,953	21,350	-	76,609	78,098	-	78,098	154,707	221,398
Partner travel and meetings	296,325	1,778	168,607	43,426	30,012	1,146	-	541,294	6,270	-	6,270	547,564	145,120
Professional fees	350,231	18,010	132,634	42,274	101,761	54,802	-	699,712	92,902	-	92,902	792,614	629,492
Recruitment	-	-	-	-	-	-	-	-	-	-	-	-	3,450
Salaries and related costs	498,833	137,630	189,008	387,597	218,506	585,141	-	2,016,715	306,632	37,832	344,464	2,361,179	2,506,990
Staff travel and meetings	44,500	3,978	35,682	10,047	20,849	14,180	-	129,236	15,865	-	15,865	145,101	22,360
Subgrants	3,655,809	184,259	510,324	151,638	278,768	461,730	12,405	5,254,933	763,817	-	763,817	6,018,750	4,424,449
Total functional expenses	$ 4,869,523	$ 393,159	$ 1,055,877	$ 650,220	$ 655,704	$ 1,145,323	$ 48,710	$ 8,818,516	$ 1,377,406	$ 37,832	$ 1,415,238	$ 10,233,754	$ 8,193,457

See accompanying notes to financial statements.

CIVICUS: WORLD ALLIANCE FOR CITIZEN PARTICIPATION, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	$ 338,957	$ 2,961,955
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	10,731	18,566
Discount on long-term receivables	(137,448)	284,394
Unrealized gain	-	(106)
Change in		
Grants and contributions receivable	(151,137)	(4,627,475)
Advance to subgrantees	664,930	(491,864)
Prepaid expenses and other assets	(80,679)	43,518
Accounts payable and accrued liabilities	322,403	8,072
Refundable advances	(1,741,234)	2,162,907
Net cash provided by (used for) operating activities	(773,477)	359,967
Cash flows from investing activities		
Purchases of property and equipment	(1,325)	(15,161)
Proceed from sale of of investments	1,000,370	-
Net cash provided by (used for) investing activities	999,045	(15,161)
Net change in cash and cash equivalents	225,568	344,806
Cash and cash equivalents		
Beginning of year	5,949,546	5,604,740
End of year	$ 6,175,114	$ 5,949,546

See accompanying notes to financial statements.

CIVICUS: WORLD ALLIANCE FOR CITIZEN PARTICIPATION, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization - CIVICUS: World Alliance for Citizen Participation, Inc. (CIVICUS) is a non-profit international alliance working with members in over 160 countries to strengthen citizen action and civil society throughout the world. CIVICUS has a vision of a worldwide community of informed, inspired, committed citizens engaged in confronting the challenges facing humanity. CIVICUS is, arguably, the only global network dedicated to the rights, freedoms, health and vitality of civil society. Its geographically and thematically diverse membership affirms its legitimacy as a leading voice on civil society issues globally. CIVICUS is known as a trusted convener of civil society interests globally and functions as a link between civil society and other actors in key inter-governmental and multi-stakeholder processes.

CIVICUS maintains a representative office in London, England, and is registered as a United Kingdom (UK) establishment of an overseas entity (the overseas entity being CIVICUS, a U.S. non-profit corporation).

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

Descriptions of the two net asset categories are as follows:

- **Net assets without donor restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as net assets without donor restrictions. 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.

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

- **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.

Only the activity of CIVICUS (the U.S. entity), and its UK representative office is presented in the accompanying financial statements. CIVICUS-Worldwide includes three other entities registered in the Republic of South Africa: CIVICUS World Alliance for Citizen Participation (an entity incorporated under Section 21 of the South African Companies Act, the South African equivalent of a 501(c)(3) tax-exempt entity), referred to as CIVICUS RSA, Golden Spot Trading 713 (Pty) Limited, wholly-owned by CIVICUS RSA and a for-profit company (property owner of CIVICUS House); and a Geneva office based in Switzerland, tax-exempt under the Federal law relating to direct Federal tax (LIFD) of 14 December 1990, which engages mainly with the United Nations Human Rights Council. The property owned by Golden Spot Trading 713 was sold during the year ended June 30, 2021, and the company was deregistered in August 2021. For the year ended June 30, 2023, these financial statements have been with those of CIVICUS-Worldwide. The financial statements of CIVICUS-Worldwide are available at the CIVICUS RSA office.

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 CIVICUS' financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Cash and Cash Equivalents - CIVICUS 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, CIVICUS maintains cash balances in excess of the FDIC insurance limits. On June 30, 2023, CIVICUS had bank deposits in excess of FDIC limits of approximately $5,800,000. CIVICUS had $70,891 of cash and cash equivalents held at a financial institution in the UK at June 30, 2023. Bank deposit accounts in the UK are insured by the Financial Services Compensation Scheme (FSCS) up to a limit of £85,000.

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

Investments - Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income in the statement of activities and change in net assets.

Grants and Contributions Receivable - Grants and contributions receivable are recorded at their net realizable value, which approximates fair value. Receivables that are expected to be collected in future years are recorded at fair value, measured as the present value of their 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. Amortization of the discounts is included in grants and contribution revenue.

Conditional promises to give are not included as support until the conditions are substantially met. All receivables are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Advances to Subgrantees - Advances to subgrantees represents the balance of unliquidated subgrantee advances at year-end. CIVICUS reserves for amounts paid to subgrantees which it expects will not be accounted for or refunded to them. As of June 30, 2023, CIVICUS did not provision any amount.

Property and Equipment - Property and equipment in excess of $500 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 five to ten years. Computer software is amortized on a straight-line basis over six years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense during the year ended June 30, 2023 totaled $10,745.

Lease – CIVICUS has elected, for all underlying classes of assets, to not recognize right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and for leases that are determined to not be enforceable agreements per the guidance in Topic 842. CIVICUS recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

Grants and Contributions - The majority of CIVICUS' revenue is received through contributions as well as grants from foundations, international organizations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received.

CIVICUS performs an analysis of the individual contributions and grants to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

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

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

Contributions and grants qualifying as conditional contributions contain a right of return from obligation provision that limits CIVICUS 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. Certain grant awards are for direct and indirect program costs. These transactions are nonreciprocal and classified as conditional and are therefore recognized as contributions when the revenue becomes unconditional. CIVICUS recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances.

For grants and contributions treated as contributions, CIVICUS had approximately $25,305,000 in unrecognized conditional awards as of June 30, 2023.

Program Income - CIVICUS recognizes program income for service and workshop trainings. These are considered to be exchange transactions and revenue recognition follows ASU 2014-09. Accordingly, revenue is recognized when the related performance obligations are met (when the services and workshops take place). Transaction price is determined based on sales price. CIVICUS has elected to opt out of all disclosures not required for nonpublic entities.

New Accounting Pronouncement Adopted - In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). CIVICUS requires lessees to recognize right-of-use assets and lease liabilities. CIVICUS adopted ASU 2016-02 and its related amendments as of July 1, 2022, using the modified retrospective approach as permitted by ASU 2018-11, *Leases* (Topic 842): *Targeted Improvements*. CIVICUS elected to apply all practical expedients available under the ASU, allowing it to not reassess under the new standard prior conclusions about lease identification, lease classification, initial direct costs, risk-free rate, and using hindsight in determining the lease term.

The adoption of Topic 842 and related amendments did not have a significant impact on CIVICUS's financial statements. CIVICUS's leases consist of month-to-month leases that are not considered enforceable agreements and therefore are eligible for the short-term lease exemption under Topic 842, which the CIVICUS has elected in Note 8. Therefore, related disclosures under Topic 842 for these leases are not included in the financial statements.

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

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 CIVICUS 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.

Foreign Currency Translation - The U.S. Dollar is the functional currency for CIVICUS operations. Transactions in currencies other than U.S. Dollars are translated into U.S. Dollars at the rate of exchange in effect during that period. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into dollars at the exchange rate in effect at the date of the statement of financial position.

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require 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.

NOTE 2. INCOME TAXES

CIVICUS: World Alliance for Citizen Participation, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income.

CIVICUS maintains a representative office in London, England, and is registered as a United Kingdom (UK) establishment of an overseas entity (the overseas entity being CIVICUS, a U.S. non-profit corporation). According to UK law, grant income received by a non-UK entity (CIVICUS, the U.S. non-profit corporation) would not generally be considered taxable income (for the purpose of calculating taxable profits in the UK); however, it will be considered taxable if CIVICUS-US engages in a trade in which the grant income relates to that trade. CIVICUS has not engaged in any unrelated trade or business.

Based on the above, a provision for income taxes has not been made in the accompanying financial statements. Additionally, CIVICUS is not a private foundation.

For the year ended June 30, 2023, CIVICUS 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.

NOTE 3. GRANTS AND CONTRIBUTIONS RECEIVABLE

As of June 30, 2023, contributors to CIVICUS have made written promises to give totaling $9,069,172. Grants due in more than one year have been recorded at the present value of the estimated cash flows, using discount rates ranging from 0.30% to 4.74%.

Grants are due as follows at June 30, 2023:

Less than one year	$ 4,644,172
One to five years	4,425,000
Total	9,069,172
Less: allowance to discount balance to present value	(191,820)
Total grants and contributions receivable	$ 8,877,352

NOTE 4. LINE OF CREDIT

CIVICUS maintains a $210,000 bank line of credit which matures September 28, 2024. Amounts borrowed under the line bear interest at a variable interest rate equal to the Wall Street Journal prime rate plus 1.25 percentage points. The actual rate was 8.25% as of June 30, 2023. The line of credit is secured by cash held in bank accounts at the same financial institution.

During the year ended June 30, 2023, there was no activity on the line of credit, and no outstanding balance as of June 30, 2023. Therefore, no interest expense was incurred on the line of credit during the year ended June 30, 2023.

NOTE 5. NET ASSETS WITHOUT DONOR RESTRICTIONS

As of June 30, 2023, certain net assets without donor restrictions have been designated by the Board of Directors for the specific purposes. Following is the composition of net assets without donor restrictions as of June 30, 2023.

Undesignated net assets	$ 1,739,877
Board designated net assets	421,644
	$ 2,161,521

Board designated net assets (Board reserves) are built up from contributions, which are by Board resolution earmarked to build up a reserve of approximately three months of operating costs. In May 2018, the Board elected to allocate all membership fees to a member solidarity fund as agreed in the Annual General Meeting held in November 2018.

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2023:

Subject to expenditure for specific purpose	$ 9,925,950
Subject to passage of time	191,599
Total net assets with donor restrictions	$ 10,117,549

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose restriction accomplished	$ 1,821,929
Time restrictions accomplished	-
Total net assets released from donor restrictions	$ 1,821,929

NOTE 7. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

CIVICUS has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, CIVICUS has a line of credit agreement (as further discussed in Note 4) which allows for additional available borrowings up to $210,000. The Board designates a portion of any operating surplus to its liquidity reserve, which was $421,644 as of June 30, 2023.

CIVICUS has opened sweep accounts for each of its operating bank accounts to earn interest on balances overnight.

The following provides a summary of financial assets available for general expenditures within one year at June 30, 2023:

Cash and cash equivalents	$ 6,175,114
Grants and contributions receivable	4,644,172
	10,819,286
Less: donor purpose restricted funds	(4,425,000)
Less: Board designated funds	(421,644)
	(4,846,644)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,972,642

NOTE 8. LEASE COMMITMENTS

During the year ended June 30, 2023, CIVICUS leased office space in London, Montevideo, and New York, under lease terms ranging from month to month to one year. Short-term lease expense during the year ended June 30, 2023 totaled $44,922.

NOTE 9. RELATED PARTY TRANSACTIONS

CIVICUS paid $2,940,391 out of undesignated funds based on support/awards provided to RSA and to Geneva (Note 1) during the year ended June 30, 2023, as both RSA and Geneva fulfilled certain program objectives on behalf of CIVICUS; the fulfillment of such program objectives included the utilization of RSA personnel and other related programmatic expenditures.

The support provided to RSA has been recorded in subgrant expense in the accompanying statement of functional expenses. During the year ended June 30, 2023, $2,625,554 was transferred to RSA and $314,837 to Geneva. As of June 30, 2023, there were no receivables from related parties for programmatic cash transfers, personnel and other related project expenditures.

NOTE 10. SUBSEQUENT EVENTS REVIEW

Subsequent events have been evaluated through October 30, 2023, which is the date the financial statements were available to be issued. This review and evaluation revealed no material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements.