

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2013**

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## Independent Auditor's Report

To the Board of Directors of  
RESULTS, Inc. and RESULTS Educational Fund, Inc.  
Washington, DC

We have audited the accompanying consolidated financial statements of RESULTS, Inc. and RESULTS Educational Fund, Inc. (collectively "RESULTS") (nonprofit organizations), which comprise the consolidated statement of financial position as of December 31, 2013, and the related consolidated statements 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 consolidated financial statements in accordance with 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 consolidated 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 consolidated 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 accounting policies used and the reasonableness of 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 audit opinion.

Independent Auditor's Report  
RESULTS, Inc. and RESULTS Educational Fund, Inc.  
Page Two

*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of RESULTS, Inc. and RESULTS Educational Fund, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

*Ribis, Jones & Maresca, P.A.*

Columbia, MD  
October 14, 2014

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2013**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 4,942,074
Accounts receivable, net	218,706
Prepaid expenses	159,094
Total current assets	<u>5,319,874</u>

**OTHER ASSETS**

Property and equipment, net (Note 8)	404,531
Security deposit	65,689
Total other assets	<u>470,220</u>

**TOTAL ASSETS**

\$ 5,790,094

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 682,797
Accrued expenses	108,063
Deferred rent	450,157
Other liabilities	4,835
Total current liabilities	<u>1,245,852</u>

**NET ASSETS**

Unrestricted:	
Available for operations	536,057
Designated - Cameron Duncan Fund	20,685
Total unrestricted net assets	<u>556,742</u>
Temporarily restricted	3,987,500
Total net assets	<u>4,544,242</u>

**TOTAL LIABILITIES AND NET ASSETS**

\$ 5,790,094

See independent auditor's report and accompanying notes to consolidated financial statements.

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2013**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 747,572	\$ 3,924,765	\$ 4,672,337
Special events	817,606	-	817,606
Contracts revenue	27,000	-	27,000
Interest and other income	25,928	-	25,928
Royalties	736	-	736
Net assets released from restrictions	8,719,895	(8,719,895)	-
Total Revenue and Support	<u>10,338,737</u>	<u>(4,795,130)</u>	<u>5,543,607</u>
<b>EXPENSES</b>			
Program services:			
ACTION Program	6,471,715	-	6,471,715
Microcredit education and outreach	1,196,403	-	1,196,403
Poverty outreach and advocacy	1,239,854	-	1,239,854
Grassroots advocacy to end hunger	287,441	-	287,441
Total program services	<u>9,195,413</u>	<u>-</u>	<u>9,195,413</u>
Supporting services:			
Management and general	747,093	-	747,093
Fundraising	347,757	-	347,757
Total supporting services	<u>1,094,850</u>	<u>-</u>	<u>1,094,850</u>
Total Expenses	<u>10,290,263</u>	<u>-</u>	<u>10,290,263</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	48,474	(4,795,130)	(4,746,656)
<b>OTHER CHANGES</b>			
Loss on disposition of fixed assets	(44,337)	-	(44,337)
<b>CHANGE IN NET ASSETS</b>	4,137	(4,795,130)	(4,790,993)
<b>NET ASSETS, beginning of year</b>	<u>552,605</u>	<u>8,782,630</u>	<u>9,335,235</u>
<b>NET ASSETS, end of year</b>	<u>\$ 556,742</u>	<u>\$ 3,987,500</u>	<u>\$ 4,544,242</u>

See independent auditor's report and accompanying notes to consolidated financial statements.

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2013**

	Program Services				Supporting Services				
	ACTION Program	Microcredit Education and Outreach	Poverty Outreach and Advocacy	Grassroots Advaocay to End Hunger	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
Salaries	\$ 1,318,732	\$ 586,132	\$ 617,576	\$ 143,052	\$ 2,665,492	\$ 254,447	\$ 151,030	\$ 405,477	\$ 3,070,969
Payroll taxes	107,539	48,580	50,206	11,295	217,620	15,947	13,807	29,754	247,374
Employee benefits	125,365	60,792	53,205	17,963	257,325	30,842	16,944	47,786	305,111
Total personnel and expenses	<u>1,551,636</u>	<u>695,504</u>	<u>720,987</u>	<u>172,310</u>	<u>3,140,437</u>	<u>301,236</u>	<u>181,781</u>	<u>483,017</u>	<u>3,623,454</u>
Accounting	13,650	-	-	-	13,650	55,750	-	55,750	69,400
Bad debt	-	-	-	-	-	59,454	-	59,454	59,454
Bank fees	181	1,418	52	-	1,651	24,816	5,119	29,935	31,586
Computer and internet	6,215	4,382	5,600	-	16,197	14,677	981	15,658	31,855
Conference and events	136,680	193,095	32,317	1,170	363,262	63,866	95,451	159,317	522,579
Contract services and professionals	319,688	165,805	183,092	-	668,585	62,942	7,466	70,408	738,993
Depreciation and amortization	11,272	5,010	5,279	1,223	22,784	1,818	1,291	3,109	25,893
Dues and subscriptions	16,526	2,310	9,762	11,650	40,248	113	-	113	40,361
Equipment rental and maintenance	3,553	1,040	6,787	-	11,380	9,533	895	10,428	21,808
Grants	3,727,533	-	37,177	-	3,764,710	-	-	-	3,764,710
Insurance	11,435	4,889	5,193	1,203	22,720	2,138	1,270	3,408	26,128
Interest expense	-	-	-	-	-	315	-	315	315
Legal fees	2,855	2,705	446	-	6,006	10,382	726	11,108	17,114
Licenses, taxes and fees	-	-	-	-	-	10,763	9,455	20,218	20,218
Postage and shipping	1,112	609	1,589	-	3,310	8,708	2,071	10,779	14,089
Printing and publications	13,874	6,307	14,686	196	35,063	14,453	5,488	19,941	55,004
Public awareness	3,863	150	1,032	89,418	94,463	1,553	360	1,913	96,376
Rent	85,233	38,083	39,915	9,246	172,477	16,446	9,761	26,207	198,684
Supplies	8,145	-	8,100	-	16,245	5,387	6,668	12,055	28,300
Telephone	32,940	1,675	7,684	-	42,299	43,638	499	44,137	86,436
Training and development	3,608	123	68	108	3,907	-	813	813	4,720
Travel	521,716	73,298	160,088	917	756,019	39,105	17,662	56,767	812,786
Total	<u>\$ 6,471,715</u>	<u>\$ 1,196,403</u>	<u>\$ 1,239,854</u>	<u>\$ 287,441</u>	<u>\$ 9,195,413</u>	<u>\$ 747,093</u>	<u>\$ 347,757</u>	<u>\$ 1,094,850</u>	<u>\$10,290,263</u>

See independent auditor's report and accompanying notes to consolidated financial statements.

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2013**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (4,790,993)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation and amortization expense	25,893
Loss on disposal of fixed assets	44,337
Decrease (increase) in assets:	
Accounts receivable	(214,948)
Grants and contributions receivable	55,314
Prepaid expenses	276,214
Security deposit	(52,188)
Increase (decrease) in liabilities:	
Accounts payable	532,577
Accrued expenses	3,556
Deferred rent	450,157
Other current liabilities	(261)
Net Cash Used for Operating Activities	<u>(3,670,342)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of furniture and equipment	(66,727)
Purchases leasehold improvements	(326,260)
Net Cash Used for Investing Activities	<u>(392,987)</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (4,063,329)

**CASH AND CASH EQUIVALENTS, beginning of year** 9,005,403

**CASH AND CASH EQUIVALENTS, end of year** \$ 4,942,074

See independent auditor's report and accompanying notes to consolidated financial statements.



**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE 1 – NATURE OF THE ORGANIZATION**

RESULTS, Inc. and RESULTS Educational Fund, Inc. (collectively, “RESULTS”) are two separate not-for-profit organizations that were established to engage the general public and political leaders in a campaign to end poverty by empowering individuals to exercise their personal and political power for change. As such, RESULTS utilizes its resources to implement and improve policies that provide low-income individuals the means and opportunities for a healthy and fulfilling life.

Program Descriptions

*ACTION Program* – The ACTION program is part of an international partnership of civil society organizations that began working together to mobilize new resources against tuberculosis (“TB”). ACTION partners have helped influence leaders to contribute more than \$1.4 billion for the global TB fight through bilateral and multilateral funding. A significant amount of funding through the Global Fund went towards fighting AIDS, TB, and Malaria. Building on its successes in fighting TB around the world, ACTION has expanded its advocacy efforts to include child survival, particularly in the areas of vaccines and under-nutrition.

*Microcredit Education and Outreach* – This program is aligned with the Microcredit Summit Campaign (“MCS”), which brings together microfinance practitioners, advocates, educational institutions, and various other stakeholders to promote best practices in microfinance, and to stimulate the interchanging of knowledge and ideas. MCS is working to ensure that 175 million of the world’s poorest families, especially the women of those families, are receiving credit for self-employment and other financial and business services by 2015, and that 100 million families rise above the US \$1.25 a day threshold adjusted for purchasing power parity between 1990 and 2015.

*Poverty Outreach and Advocacy* - RESULTS Educational Fund, Inc. (“REF”) focuses on poverty outreach and advocacy. REF identifies and promotes the most effective solutions to poverty by:

- Performing cutting-edge research on poverty issues and programs and oversight of U.S. spending related to poverty domestically and internationally.
- Building support for proven poverty-fighting strategies by engaging and educating the public, policy makers, and opinion leaders, leading educational trips, working in coalitions, and encouraging the media to report on solutions to poverty.
- Supporting powerful citizenship by training volunteers in public speaking, generating media, hosting community forums, and educating their communities and elected officials about issues related to its campaigns.

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**  
(continued)

**NOTE 1 – NATURE OF THE ORGANIZATION** - continued

Program Descriptions - continued

*Grassroots Advocacy to End Hunger* - RESULTS, Inc. supports anti-poverty legislation by engaging in the following grassroots activities:

- Mobilizing around key legislative opportunities that will have the greatest impact on the lives of low-income people. This can range from supporting members of Congress in generating bipartisan support for anti-poverty legislation to helping legislators craft bills that will benefit the poorest.
- Empowering ordinary people with the necessary training and support system to play a significant role in ending poverty. RESULTS has grassroots chapters in over 100 locations in the United States, which form one of the most effective grassroots networks in the world.
- Advocating for policies and legislation that create or safeguard effective solutions to poverty, make programs run more efficiently and effectively, and extend coverage to those who need it.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting, which recognizes revenue when earned and expenses when incurred.

Basis of Presentation

The consolidated financial statements include the accounts of RESULTS, Inc. and RESULTS Educational Fund, Inc. (collectively, "RESULTS"). All material inter-company transactions have been eliminated.

Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of RESULTS and changes therein, are classified and reported as follows:

*Unrestricted Net Assets* - Net assets not subject to donor-imposed restrictions.

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**  
(continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Basis of Presentation - continued

*Temporarily Restricted Net Assets* - Net assets subject to donor-imposed stipulations that may or will be met by either actions of RESULTS and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

*Permanently Restricted Net Assets* - Net assets subject to donor-imposed stipulations that the net assets will be maintained permanently by RESULTS. There were no permanently restricted net assets as of December 31, 2013.

Cash and Cash Equivalents

For purposes of the statement of cash flows, RESULTS considers all highly liquid investments with original maturities of less than three months to be cash equivalents. In addition, RESULTS considers all foreign currency investments maintained in interest-bearing accounts to be cash equivalents. Certain cash and cash equivalent balances are insured by the Federal Deposit Insurance Corporation (FDIC). At times, the accounts may exceed the limit set by the FDIC; however, RESULTS believes it is not exposed to any significant credit risk on cash or cash equivalents.

Foreign Currency Transactions

RESULTS records transactions denominated in a foreign currency at the United States dollar equivalent as of the date of the transaction. Assets and liabilities denominated in a foreign currency are revalued by RESULTS in United States dollars at the current exchange rate as of the consolidated statement of financial position date. Any resulting foreign currency gain or loss is recorded in the accompanying consolidated statement of activities as net unrealized foreign currency exchange gain or loss, as applicable.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon review of outstanding receivables, historical collection information, and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. All receivables are due within one year. Based on management's assessment of the outstanding receivables, an allowance for doubtful accounts in the amount of \$59,454 was recorded as of December 31, 2013.

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**  
(continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Expenditures that extend the life of an asset are capitalized while repairs and maintenance are charged to expense as incurred. Depreciation is calculated on a straight-line basis over the estimated useful lives (ranging from five to seven years) of the related assets. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the lease term.

Deferred Rent

Deferred rent represents the difference between rent paid and the amount expensed evenly over the lease term, which includes the abatement of rent granted by the landlord for four months as well as an improvement allowance offered by the landlord as an incentive to sign the lease agreement.

Donated Services

A substantial number of unpaid volunteers have made significant contributions of their time to develop RESULTS' programs, particularly in sponsorship development and educational programs. No amounts have been recognized in the accompanying financial statement of activities because the criteria for recognition of such volunteer efforts under generally accepted accounting principles has not been satisfied.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period in which they are received. Grants are recognized as revenue in the period in which such promises or agreements are made, generally when the agreement has been received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions received with donor restrictions are recorded as temporarily or permanently restricted revenue based on the donor's intent. Contributions expected to be received after one year are discounted using a risk-free interest rate and are used in accordance with donor-imposed restriction, if any, on the contributions. Management believes all promises to give are fully collectible and no provision for doubtful promises to give is necessary.

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**  
(continued)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Revenue Recognition (continued)

Contract revenue is recognized as services are performed. Any unearned contract revenue is recorded as deferred revenue.

Conferences and special events revenue are recognized in the year in which the conferences and special events are held.

Use of Estimates

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. However, management does not believe that the actual results will be materially different from those estimates.

Functional Expense Classification

The costs of providing various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services that benefited from such costs.

**NOTE 3 – INCOME TAX STATUS**

RESULTS, Inc. is a not-for-profit organization defined under Section 501(c)(4), and RESULTS Educational Fund, Inc. is a not-for-profit organization defined under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Both entities are exempt from income taxes under Section 501(a) of the Code. Under the provisions of the Code, these entities are, however, subject to tax on business income unrelated to their respective exempt purposes. As of December 31, 2013, RESULTS, Inc. and RESULTS Educational Fund, Inc. had no liability for tax on unrelated business income. Both organizations are separate entities for income tax reporting and file separate information returns as required.

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**  
(continued)

**NOTE 3 – INCOME TAX STATUS - continued**

RESULTS recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. RESULTS does not believe its financial statements include any uncertain tax positions.

RESULTS' income tax returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed except under certain circumstances. RESULTS' tax returns from the years 2010 through 2012 are open for a tax examination by the Internal Revenue Service, although no request has been made as of the date of these financial statements.

**NOTE 4 – LINE OF CREDIT**

RESULTS Educational Fund, Inc. has a line of credit with an available balance of \$500,000 which is secured by the organization's business assets. Interest is due monthly and is accrued at a rate of prime plus .5%, which was 3.75% as of December 31, 2013. Interest expense for the year ended December 31, 2013, totaled \$0. As of December 31, 2013, the outstanding balance on the line of credit was \$0.

**NOTE 5 – RETIREMENT PLAN**

RESULTS has a Savings Incentive Match retirement plan pursuant to Section 408(p) of the Internal Revenue Code. All participating employees are permitted to contribute up to the maximum amounts prescribed by law. The employer must make matching contributions of an amount equal to the lesser of the participant's elective deferral or three percent of the participant's compensation. For the year ended December 31, 2013, RESULTS made a matching contribution totaling \$39,304 to the plan.

**NOTE 6 – OPERATING LEASE COMMITMENTS**

In September 2011, RESULTS entered into a non-cancellable lease for office space which expired on August 15, 2013.

On May 16, 2013, RESULTS entered into a new non-cancellable office lease agreement which expires on November 30, 2023. Under the terms of the lease agreement, RESULTS has a one-time right to terminate the lease early only by giving the landlord an irrevocable written notice (the "Early Termination Notice") no later than the last day of the sixth month of the fifth lease year. RESULTS would be responsible for any unpaid rent and termination fees.

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**  
(continued)

**NOTE 6 – OPERATING LEASE COMMITMENTS** - continued

The future minimum payments over the life of the lease are as follows:

December 31,	
2014	\$ 269,252
2015	275,987
2016	282,886
2017	289,958
2018	299,696
2019 and there after	<u>1,611,662</u>
Total	<u>\$3,029,441</u>

In January 2011, RESULTS entered into a non-cancellable operating lease for a copier which expires in January 2016.

The future minimum payments over the life of the lease are as follows:

December 31,	
2014	\$ 6,264
2015	<u>6,264</u>
Total	<u>\$ 12,528</u>

Rent expense for office space for the year ended December 31, 2013, totaled \$198,684.

**NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS**

RESULTS had temporarily restricted net assets at December 31, 2013 totaling \$3,987,500, which consists of the following:

ACTION Program (2008 – 2013)	\$ 2,623,711
CIFF	504,456
Microcredit	296,601
Global campaign for education	292,803
Global expansion	109,358
Child survival	96,031
Education for All	34,222
Stop TB	12,123
Center for Citizen Empowerment & Transformation	<u>18,195</u>
Total	<u>\$ 3,987,500</u>

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**  
(continued)

**NOTE 8 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of December 31, 2013:

Property and equipment	\$ 156,142
Leasehold improvement	<u>326,260</u>
	482,402
Less accumulated depreciation and amortization	<u>(77,871)</u>
Net Property and Equipment	<u>\$ 404,531</u>

Depreciation expense totaled \$25,893 for the year ended December 31, 2013.

**NOTE 9 – SUBSEQUENT EVENTS**

In preparing these financial statements, RESULTS' management has evaluated events and transactions for potential recognition or disclosure through October 14, 2014, the date the financial statements were available to be issued. There were no additional events or transactions other than those disclosed in the accompanying notes to the consolidated financial statements.



## **CONSOLIDATING INFORMATION**



# RIBIS, JONES & MARESCA, P.A.

Certified Public Accountants

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## Independent Auditor's Report on Consolidating Information

To the Board of Directors of  
RESULTS, Inc. and RESULTS Educational Fund, Inc.  
Washington, DC

We have audited the accompanying consolidated financial statements of RESULTS, Inc. and RESULTS Educational Fund, Inc. (collectively "RESULTS") as of and for the year ended December 31, 2013, and have issued our report thereon dated October 14, 2014, which contained an unmodified opinion on those financial statements, appears on pages 16 and 17. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the two schedules is presented for purposes of additional analyses and are not a required part of the 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 consolidating 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.

*Ribis, Jones & Maresca, P.A.*

Columbia, MD  
October 14, 2014

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
DECEMBER 31, 2013**

	RESULTS, Inc.	RESULTS Educational Fund	Eliminations	Total
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 419,786	\$ 4,522,288	\$ -	\$ 4,942,074
Accounts receivable, net	-	218,706	-	218,706
Due from RESULTS, Inc.	-	110,198	(110,198)	-
Prepaid expenses	-	159,094	-	159,094
Total current assets	<u>419,786</u>	<u>5,010,286</u>	<u>(110,198)</u>	<u>5,319,874</u>
<b>OTHER ASSETS</b>				
Property and equipment, net (Note 8)	-	404,531	-	404,531
Security deposit	-	65,689	-	65,689
Total other assets	<u>-</u>	<u>470,220</u>	<u>-</u>	<u>470,220</u>
<b>TOTAL ASSETS</b>	<u>\$ 419,786</u>	<u>\$ 5,480,506</u>	<u>\$ (110,198)</u>	<u>\$ 5,790,094</u>
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ -	\$ 682,797	\$ -	\$ 682,797
Due to RESULTS Educational Fund	110,198	-	(110,198)	-
Accrued expenses	2,572	105,491	-	108,063
Deferred rent	-	450,157	-	450,157
Other liabilities	4,835	-	-	4,835
Total current liabilities	<u>117,605</u>	<u>1,238,445</u>	<u>(110,198)</u>	<u>1,245,852</u>
<b>NET ASSETS</b>				
Unrestricted				
Available for operations	281,496	254,561	-	536,057
Designated - Cameron Duncan Fund	20,685	-	-	20,685
Total unrestricted net assets	<u>302,181</u>	<u>254,561</u>	<u>-</u>	<u>556,742</u>
Temporarily restricted	-	3,987,500	-	3,987,500
Total net assets	<u>302,181</u>	<u>4,242,061</u>	<u>-</u>	<u>4,544,242</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 419,786</u>	<u>\$ 5,480,506</u>	<u>\$ (110,198)</u>	<u>\$ 5,790,094</u>

See independent auditor's report on consolidating information.

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATING SCHEDULE OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2013**

	RESULTS, Inc.	RESULTS Educational Fund	Eliminations	Total
<b>REVENUE AND SUPPORT</b>				
Grants and contributions	\$ 300,255	\$ 4,372,082	\$ -	\$ 4,672,337
Special events	63,466	754,140	-	817,606
Contracts revenue	-	27,000	-	27,000
Interest and other income	13,596	12,332	-	25,928
Royalties	616	120	-	736
Total revenue and support	<u>377,933</u>	<u>5,165,674</u>	<u>-</u>	<u>5,543,607</u>
<b>EXPENSES</b>				
Program services:				
ACTION Program	-	6,471,715	-	6,471,715
Microcredit education and outreach	-	1,196,403	-	1,196,403
Poverty outreach and advocacy	-	1,239,854	-	1,239,854
Grassroots advocacy to end hunger	275,769	11,672	-	287,441
Total program services	<u>275,769</u>	<u>8,919,644</u>	<u>-</u>	<u>9,195,413</u>
Support services:				
Management and general	45,159	701,934	-	747,093
Fundraising	46,162	301,595	-	347,757
Total supporting services	<u>91,321</u>	<u>1,003,529</u>	<u>-</u>	<u>1,094,850</u>
Total expenses	<u>367,090</u>	<u>9,923,173</u>	<u>-</u>	<u>10,290,263</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	10,843	(4,757,499)	-	(4,746,656)
<b>OTHER CHANGES</b>				
Loss on disposition of fixed assets	<u>(582)</u>	<u>(43,755)</u>	<u>-</u>	<u>(44,337)</u>
<b>CHANGE IN NET ASSETS</b>	10,261	(4,801,254)	-	(4,790,993)
<b>NET ASSETS, beginning of year</b>	<u>291,920</u>	<u>9,043,315</u>	<u>-</u>	<u>9,335,235</u>
<b>NET ASSETS, end of year</b>	<u>\$ 302,181</u>	<u>\$ 4,242,061</u>	<u>\$ -</u>	<u>\$ 4,544,242</u>

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