

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

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

SEPTEMBER 30, 2018

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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. (nonprofit organizations), which comprise the consolidated statement of financial position as of September 30, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated 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 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 consolidated financial statements are free from 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 consolidated 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.

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 September 30, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

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 and consolidating schedule of activities on pages 15 and 16, 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.

Jane Warner & McQuade PA

Washington, DC
July 17, 2019

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2018**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,402,994
Accounts receivable	41,139
Grants receivable	13,640,000
Prepaid expenses	100,122
Total Current Assets	<u>15,184,255</u>

NON-CURRENT ASSETS

Investments	22,671
Property and equipment, net	255,185
Security deposit	21,896
Total Non-Current Assets	<u>299,752</u>

TOTAL ASSETS	<u><u>\$ 15,484,007</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 240,037
Accrued expenses	144,991
Deferred rent	345,228
Deferred revenue	9,765
Subgrants payable	2,354,098
Total Current Liabilities	<u>3,094,119</u>

NET ASSETS

Unrestricted:	
Available for operations	(124,715)
Board designated - Cameron Duncan Fund	9,384
Total Unrestricted	<u>(115,331)</u>
Temporarily restricted	12,505,219
Total Net Assets	<u>12,389,888</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 15,484,007</u></u>
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The accompanying notes are an integral part of these consolidated financial statements.

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and contributions	\$ 1,210,630	\$ 1,489,278	\$ 2,699,908
Conferences and events	218,433	-	218,433
Contracts revenue	82,573	-	82,573
Interest and other income	10,145	-	10,145
Net assets released from restrictions	<u>9,835,411</u>	<u>(9,835,411)</u>	<u>-</u>
Total Revenue and Support	11,357,192	(8,346,133)	3,011,059
EXPENSES			
Program Services:			
ACTION Global Health Partnership	7,973,927	-	7,973,927
Education and Advocacy to End Poverty	1,881,342	-	1,881,342
Legislative Action to End Poverty	<u>124,565</u>	<u>-</u>	<u>124,565</u>
Total Program Services	9,979,834	-	9,979,834
Supporting Services:			
Management and General	1,021,704	-	1,021,704
Fundraising	<u>553,785</u>	<u>-</u>	<u>553,785</u>
Total Supporting Services	1,575,489	-	1,575,489
Total Expenses	<u>11,555,323</u>	<u>-</u>	<u>11,555,323</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(198,131)	(8,346,133)	(8,544,264)
OTHER CHANGES			
Net loss from foreign currency translation	(312)	-	(312)
Net depreciation in fair value of investments	(554)	-	(554)
Loss on disposal of property and equipment	<u>(1,445)</u>	<u>-</u>	<u>(1,445)</u>
Total Other Changes	<u>(2,311)</u>	<u>-</u>	<u>(2,311)</u>
CHANGE IN NET ASSETS	(200,442)	(8,346,133)	(8,546,575)
NET ASSETS, beginning of year	<u>85,111</u>	<u>20,851,352</u>	<u>20,936,463</u>
NET ASSETS, end of year	<u>\$ (115,331)</u>	<u>\$ 12,505,219</u>	<u>\$ 12,389,888</u>

The accompanying notes are an integral part of these consolidated financial statements.

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2018**

	Program Services				Supporting Services			Total Expenses
	ACTION Global Health Partnership	Education And Advocacy to End Poverty	Legislative Action to End Poverty	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries	\$ 2,193,018	\$ 886,476	\$ 93,095	\$ 3,172,589	\$ 517,410	\$ 336,384	\$ 853,794	\$ 4,026,383
Payroll taxes	168,641	70,190	7,194	246,025	39,503	25,796	65,299	311,324
Employee benefits	325,369	135,253	13,958	474,580	72,326	49,612	121,938	596,518
Total Personnel Expenses	2,687,028	1,091,919	114,247	3,893,194	629,239	411,792	1,041,031	4,934,225
Accounting	16,846	6,810	-	23,656	24,210	2,495	26,705	50,361
Bank fees	126	134	-	260	27,466	2,103	29,569	29,829
Computer and internet	7,960	8,542	192	16,694	7,209	273	7,482	24,176
Conference and events	317,089	192,282	1,565	510,936	91,689	49,652	141,341	652,277
Contract services and professionals	699,318	228,141	-	927,459	67,323	2,914	70,237	997,696
Depreciation and amortization	35,207	14,232	-	49,439	7,950	5,214	13,164	62,603
Dues and subscriptions	7,277	17,191	500	24,968	7,094	5,507	12,601	37,569
Equipment rental and maintenance	2,058	555	-	2,613	8,512	-	8,512	11,125
Grants	3,365,519	2,117	-	3,367,636	-	-	-	3,367,636
Insurance	18,951	7,661	-	26,612	2,476	2,807	5,283	31,895
Investment fee	-	-	-	-	-	986	986	986
Legal fees	3,734	61	-	3,795	3,165	-	3,165	6,960
Licenses, taxes and fees	-	-	-	-	18,938	13,150	32,088	32,088
Postage and shipping	1,899	1,060	-	2,959	6,738	2,467	9,205	12,164
Printing and publications	9,185	14,159	-	23,344	15,072	11,849	26,921	50,265
Public awareness	329	91	-	420	3,943	371	4,314	4,734
Rent	150,551	60,857	6,274	217,682	35,492	23,078	58,570	276,252
Supplies	1,569	2,696	-	4,265	5,660	1,721	7,381	11,646
Telephone	14,662	3,786	-	18,448	23,149	124	23,273	41,721
Training and development	-	60	-	60	285	166	451	511
Travel	634,619	228,988	1,787	865,394	36,094	17,116	53,210	918,604
	<u>\$ 7,973,927</u>	<u>\$ 1,881,342</u>	<u>\$ 124,565</u>	<u>\$ 9,979,834</u>	<u>\$ 1,021,704</u>	<u>\$ 553,785</u>	<u>\$ 1,575,489</u>	<u>\$ 11,555,323</u>

The accompanying notes are an integral part of these consolidated financial statements.

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (8,546,575)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation and amortization	62,603
Net depreciation in fair value of investments	554
Loss on disposal of property and equipment	1,445
Decrease (increase) in assets:	
Accounts receivable	4,426
Grants receivable	837,907
Prepaid expenses	125,618
Increase (decrease) in liabilities:	
Accounts payable	(125,711)
Accrued expenses	(12,638)
Deferred rent	(35,891)
Deferred revenue	2,271
Subgrants payable	215,905
Net Cash Used for Operating Activities	<u>(7,470,086)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	(29,521)
Proceeds from sale of investments	64,803
Purchases of investments	(65,732)
Net Cash Used for Investing Activities	<u>(30,450)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (7,500,536)

CASH AND CASH EQUIVALENTS, beginning of year 8,903,530

CASH AND CASH EQUIVALENTS, end of year \$ 1,402,994

The accompanying notes are an integral part of these consolidated financial statements.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – NATURE OF THE ORGANIZATION AND PROGRAM DESCRIPTIONS

RESULTS, Inc. and RESULTS Educational Fund, Inc. (collectively, “RESULTS”) are two separate not-for-profit organizations that cultivate an advocacy movement to secure the political leadership that will bring an end to poverty. They focus on key underlying causes of poverty and their solutions: health and nutrition; education; and economic opportunity.

Program Descriptions

ACTION Global Health Partnership – ACTION is a partnership of locally rooted organizations around the world that advocates for life-saving care for millions of people who are threatened by preventable diseases. Supported by a Washington, DC-based secretariat, ACTION partners work together to increase investments and build political support for global health.

Education and Advocacy to End Poverty – RESULTS Educational Fund, Inc., performs cutting-edge research and oversight; educates and mobilizes grassroots advocates, policy makers, and the media; and trains volunteers in public speaking, community organizing, generating media, and educating their elected officials on issues of poverty.

Legislative Action to End Poverty - RESULTS, Inc., pushes for specific policies and legislation to address poverty in the United States and around the world. This includes working directly with Congress and other U.S. policymakers to shape and advance policies, as well as supporting grassroots advocates to lobby their elected officials on health, education, and economic opportunity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of RESULTS, Inc. and RESULTS Educational Fund, Inc. All material intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic *Not-for-Profit Entities*. In accordance with the topic, net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Presentation - continued

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.

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.

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 September 30, 2018.

Basis of Accounting

The consolidated financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

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.

Investments

Investments consist of mutual funds and are stated at fair value, based on quoted market prices, if available. Interest and dividend income is recognized when earned. Net appreciation or depreciation in the fair value of investments includes gains or losses on securities bought and sold as well as held during the year.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Foreign Currency Transactions

RESULTS records transactions denominated in a foreign currency at the United States dollar equivalent at the date of the transaction. All statement of financial position accounts have been translated using the exchange rate in effect at 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 gain or loss from foreign currency translation.

Accounts and Grants Receivable

Accounts and grants 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. Based on management's assessment of the outstanding receivables, an allowance for doubtful accounts was not deemed necessary as of September 30, 2018.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization. Expenditures that extend the life of an asset and are greater than \$1,000 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 for furniture and equipment, and similar 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.

Cameron Duncan Fund

Approximately 34 years ago, Cameron Duncan was the first Legislative Director of RESULTS. A fund was established in tribute to Cameron Duncan, which as of September 30, 2018, had a balance of \$9,384, and is considered board designated net assets.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 consolidated 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 the promise is 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. Expirations of temporary restrictions are reported as reclassifications from temporarily restricted net assets to unrestricted net assets. 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.

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

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

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(continued)

NOTE 3 – INCOME TAX STATUS

RESULTS, Inc. is a not-for-profit organization defined under Section 501(c)(4), and REF 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 September 30, 2018, RESULTS, Inc. and REF 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 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' information 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' information returns from the fiscal years 2015 through 2017 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 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30, 2018:

Furniture and equipment	\$	254,118
Leasehold improvements		326,261
		580,379
Less accumulated depreciation and amortization		(325,194)
Property and Equipment, Net	\$	255,185

During the year ended September 30, 2018, RESULTS disposed of furniture and equipment with a total cost of \$1,735. The disposal resulted in a loss of \$1,445. Depreciation and amortization expense totaled \$62,603 for the year ended September 30, 2018.

NOTE 5 – FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). Level 1 of the fair value hierarchy under FASB ASC 820 is described as inputs to the valuation

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(continued)

NOTE 5 – FAIR VALUE MEASUREMENTS – continued

methodology that are unadjusted quoted prices for identical assets or liabilities in active markets that RESULTS has the ability to access.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

- Level 1* Inputs are based on unadjusted quoted prices for identical assets traded in active markets that RESULTS has the ability to access.

- Level 2* Inputs are based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

- Level 3* Inputs are unobservable and significant to the fair value measurement.

The following valuation methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Mutual funds are valued at the observable closing price reported in the active market in which the individual securities are traded.

The following table presents RESULTS’ fair value hierarchy for investments measured at fair value on a recurring basis as of September 30, 2018:

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 22,671	\$ -	\$ -	\$22,671

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(continued)

NOTE 6 – RETIREMENT PLAN

RESULTS established a Savings Incentive Match retirement plan (the “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. RESULTS makes 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 September 30, 2018, RESULTS made a matching contribution totaling \$103,714 to the Plan.

NOTE 7 – OPERATING LEASE COMMITMENTS

On May 16, 2013, RESULTS entered into a non-cancellable office lease agreement which expires on November 30, 2023. The agreement gave RESULTS a one-time option to exit the lease in 2018, but RESULTS elected not to exercise that option and will be subject to the remaining lease term.

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

September 30,	
2019	\$ 310,231
2020	317,987
2021	325,937
2022	334,085
2023	342,438
2024	58,381
Total	<u>\$ 1,689,059</u>

Rent expense for office space totaled \$276,252 for the year ended September 30, 2018.

In March 2015, RESULTS entered into a non-cancellable operating lease for a copier which expires in March 2020. Rent expenses for the copier lease totaled \$6,696 for the year ended September 30, 2018.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(continued)

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

As of September 30, 2018, RESULTS' temporarily restricted net assets consisted of the following:

ACTION Program (2017-2020)	\$11,627,361
Other global health programs	282,718
Global education programs	423,776
Global financial inclusion programs	78,149
US Poverty programs	10,057
Global expansion	83,158
Total	<u>\$12,505,219</u>

NOTE 9 – LINE OF CREDIT

On October 31, 2017, RESULTS entered into a commercial line of credit agreement with Eagle Bank to borrow up to \$500,000 for working capital purposes. The line of credit had an interest rate of 5.25% and expires on October 29, 2019. As of September 30, 2018, there was no outstanding balance due on the line of credit.

NOTE 10 – SUBSEQUENT EVENTS

In preparing these consolidated financial statements, RESULTS' management has evaluated events and transactions for potential recognition or disclosure through July 17, 2019, the date the financial statements were available to be issued. There were no additional events or transactions discovered during the evaluation that required recognition or further disclosure.

SUPPLEMENTAL INFORMATION

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2018**

	RESULTS, Inc.	RESULTS Educational Fund, Inc.	Eliminations	Total
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 227,072	\$ 1,175,922	\$ -	\$ 1,402,994
Accounts receivable	-	41,139	-	41,139
Grants receivable	-	13,640,000	-	13,640,000
Due from RESULTS, Inc.	-	242,938	(242,938)	-
Prepaid expenses	-	100,122	-	100,122
Total Current Assets	<u>227,072</u>	<u>15,200,121</u>	<u>(242,938)</u>	<u>15,184,255</u>
NON-CURRENT ASSETS				
Investments	22,671	-	-	22,671
Property and equipment, net	-	255,185	-	255,185
Security deposit	-	21,896	-	21,896
Total Non-Current Assets	<u>22,671</u>	<u>277,081</u>	<u>-</u>	<u>299,752</u>
TOTAL ASSETS	<u>\$ 249,743</u>	<u>\$ 15,477,202</u>	<u>\$ (242,938)</u>	<u>\$ 15,484,007</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Accounts payable	\$ -	\$ 240,037	\$ -	\$ 240,037
Due to RESULTS Educational Fund, Inc.	242,938	-	(242,938)	-
Accrued expenses	3,920	141,071	-	144,991
Deferred rent	-	345,228	-	345,228
Deferred revenue	3,435	6,330	-	9,765
Subgrants payable	3,726	2,350,372	-	2,354,098
Total Current Liabilities	<u>254,019</u>	<u>3,083,038</u>	<u>(242,938)</u>	<u>3,094,119</u>
NET ASSETS				
Unrestricted :				
Available for operations	(13,660)	(111,055)	-	(124,715)
Board designated - Cameron Duncan Fund	9,384	-	-	9,384
Total Unrestricted	<u>(4,276)</u>	<u>(111,055)</u>	<u>-</u>	<u>(115,331)</u>
Temporarily restricted	-	12,505,219	-	12,505,219
Total Net Assets	<u>(4,276)</u>	<u>12,394,164</u>	<u>-</u>	<u>12,389,888</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 249,743</u>	<u>\$ 15,477,202</u>	<u>\$ (242,938)</u>	<u>\$ 15,484,007</u>

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018**

	RESULTS, Inc.	RESULTS Educational Fund, Inc.	Eliminations	Total
REVENUE AND SUPPORT				
Grants and contributions	\$ 164,872	\$ 2,535,036	\$ -	\$ 2,699,908
Conferences and events	30,916	187,517	-	218,433
Contracts revenue	-	82,573	-	82,573
Interest and other income	374	9,771	-	10,145
Total Revenue and Support	<u>196,162</u>	<u>2,814,897</u>	<u>-</u>	<u>3,011,059</u>
EXPENSES				
Program Services:				
ACTION Global Health Partnership	-	7,973,927	-	7,973,927
Education and Advocacy to End Poverty	-	1,881,342	-	1,881,342
Legislative Action to End Poverty	124,565	-	-	124,565
Total Program Services	<u>124,565</u>	<u>9,855,269</u>	<u>-</u>	<u>9,979,834</u>
Support Services:				
Management and General	64,948	956,756	-	1,021,704
Fundraising	16,718	537,067	-	553,785
Total Supporting Services	<u>81,666</u>	<u>1,493,823</u>	<u>-</u>	<u>1,575,489</u>
Total Expenses	<u>206,231</u>	<u>11,349,092</u>	<u>-</u>	<u>11,555,323</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(10,069)	(8,534,195)	-	(8,544,264)
OTHER CHANGES				
Net loss from foreign currency translation	-	(312)	-	(312)
Net depreciation in fair value of investments	-	(554)	-	(554)
Loss on disposal of property and equipment	-	(1,445)	-	(1,445)
Total Other Changes	<u>-</u>	<u>(2,311)</u>	<u>-</u>	<u>(2,311)</u>
CHANGE IN NET ASSETS	(10,069)	(8,536,506)	-	(8,546,575)
NET ASSETS, beginning of year	<u>5,793</u>	<u>20,930,670</u>	<u>-</u>	<u>20,936,463</u>
NET ASSETS, end of year	<u>\$ (4,276)</u>	<u>\$ 12,394,164</u>	<u>\$ -</u>	<u>\$ 12,389,888</u>