

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

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

SEPTEMBER 30, 2020 AND 2019

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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 statements of financial position as of September 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities on pages 18 and 19 are presented for purposes of additional analysis and are 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.

James Maruca & McQuade PA

Washington, DC
July 16, 2021

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020 AND 2019**

	2020	2019
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,102,274	\$ 7,175,158
Accounts receivable	152,036	49,102
Grants receivable, current portion	7,516,848	475,000
Prepaid expenses	54,542	84,150
Total Current Assets	14,825,700	7,783,410
NON-CURRENT ASSETS		
Investments	33,179	92,525
Property and equipment, net	191,496	217,787
Grants receivable-long term, net of discount	12,311,022	-
Security deposit	21,896	21,896
Total Non-Current Assets	12,557,593	332,208
TOTAL ASSETS	\$ 27,383,293	\$ 8,115,618
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 288,137	\$ 277,370
Accrued expenses	115,616	83,434
Deferred revenue	-	305
Deferred rent, current portion	28,210	20,260
Subgrants payable	2,375,834	2,481,295
Total Current Liabilities	2,807,797	2,862,664
NON-CURRENT LIABILITIES		
Deferred rent, net of current portion	208,993	274,833
Total Non-Current Liabilities	208,993	274,833
Total Liabilities	3,016,790	3,137,497
NET ASSETS		
Without donor restrictions:		
Available for operations	601,008	3,302
Board designated - Cameron Duncan Fund	9,379	9,379
Total Without Donor Restrictions	610,387	12,681
With donor restrictions	23,756,116	4,965,440
Total Net Assets	24,366,503	4,978,121
TOTAL LIABILITIES AND NET ASSETS	\$ 27,383,293	\$ 8,115,618

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

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 1,203,186	\$ 26,275,294	\$ 27,478,480
Conferences and events	233,479	-	233,479
Contracts revenue	145,393	-	145,393
Interest and other income	3,648	-	3,648
Net assets released from restrictions	7,484,618	(7,484,618)	-
Total Revenue and Support	<u>9,070,324</u>	<u>18,790,676</u>	<u>27,861,000</u>
EXPENSES			
Program Services:			
ACTION Global Health Partnership	6,452,615	-	6,452,615
Education and Advocacy to End Poverty	834,089	-	834,089
Legislative Action to End Poverty	8,213	-	8,213
Total Program Services	<u>7,294,917</u>	<u>-</u>	<u>7,294,917</u>
Support Services:			
Management and General	732,141	-	732,141
Fundraising	326,320	-	326,320
Total Supporting Services	<u>1,058,461</u>	<u>-</u>	<u>1,058,461</u>
Total Expenses	<u>8,353,378</u>	<u>-</u>	<u>8,353,378</u>
CHANGE IN NET ASSETS FROM OPERATIONS	716,946	18,790,676	19,507,622
OTHER CHANGES			
Net loss from foreign currency translation	(125,999)	-	(125,999)
Net appreciation in fair value of investments	6,759	-	6,759
Total Other Changes	<u>(119,240)</u>	<u>-</u>	<u>(119,240)</u>
CHANGE IN NET ASSETS	597,706	18,790,676	19,388,382
NET ASSETS, beginning of year	<u>12,681</u>	<u>4,965,440</u>	<u>4,978,121</u>
NET ASSETS, end of year	<u>\$ 610,387</u>	<u>\$ 23,756,116</u>	<u>\$ 24,366,503</u>

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

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 1,031,515	\$ 1,292,170	\$ 2,323,685
Conferences and events	207,441	-	207,441
Contracts revenue	79,204	-	79,204
Interest and other income	10,572	-	10,572
Net assets released from restrictions	8,831,949	(8,831,949)	-
Total Revenue and Support	<u>10,160,681</u>	<u>(7,539,779)</u>	<u>2,620,902</u>
EXPENSES			
Program Services:			
ACTION Global Health Partnership	7,386,688	-	7,386,688
Education and Advocacy to End Poverty	1,339,528	-	1,339,528
Legislative Action to End Poverty	4,993	-	4,993
Total Program Services	<u>8,731,209</u>	<u>-</u>	<u>8,731,209</u>
Support Services:			
Management and General	880,484	-	880,484
Fundraising	430,802	-	430,802
Total Supporting Services	<u>1,311,286</u>	<u>-</u>	<u>1,311,286</u>
Total Expenses	<u>10,042,495</u>	<u>-</u>	<u>10,042,495</u>
CHANGE IN NET ASSETS FROM OPERATIONS	118,186	(7,539,779)	(7,421,593)
OTHER CHANGES			
Net loss from foreign currency translation	(292)	-	(292)
Net appreciation in fair value of investments	12,427	-	12,427
Loss on disposal of property and equipment	(2,309)	-	(2,309)
Total Other Changes	<u>9,826</u>	<u>-</u>	<u>9,826</u>
CHANGE IN NET ASSETS	128,012	(7,539,779)	(7,411,767)
NET (DEFICIT) ASSETS, beginning of year	<u>(115,331)</u>	<u>12,505,219</u>	<u>12,389,888</u>
NET ASSETS, end of year	<u>\$ 12,681</u>	<u>\$ 4,965,440</u>	<u>\$ 4,978,121</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, 2020**

	Program Services				Support 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	
Personnel Costs:								
Salaries	\$ 1,962,272	\$ 479,981	\$ 3,676	\$ 2,445,929	\$ 452,446	\$ 205,270	\$ 657,716	\$ 3,103,645
Payroll taxes	43,546	10,652	297	54,495	11,840	4,941	16,781	71,276
Employee benefits	296,904	73,242	558	370,704	51,472	26,899	78,371	449,075
Total Personnel Costs	2,302,722	563,875	4,531	2,871,128	515,758	237,110	752,868	3,623,996
Accounting	22,265	5,446	-	27,711	15,440	2,256	17,696	45,407
Bank fees	7	20	-	27	13,472	1,908	15,380	15,407
Computer and internet	9,516	7,807	-	17,323	8,192	176	8,368	25,691
Contract services and professionals	776,810	72,709	-	849,519	65,666	19,077	84,743	934,262
Depreciation and amortization	47,336	11,579	-	58,915	6,005	4,796	10,801	69,716
Dues and subscriptions	5,560	2,950	3,350	11,860	259	157	416	12,276
Equipment rental and maintenance	5,140	1,257	-	6,397	1,105	521	1,626	8,023
Facilities, food and beverages	16,461	4,026	-	20,487	2,445	1,668	4,113	24,600
Grants	2,849,809	69,973	-	2,919,782	-	-	-	2,919,782
Insurance	18,456	4,514	-	22,970	3,965	1,870	5,835	28,805
Legal fees	21,167	1,869	-	23,036	584	-	584	23,620
Licenses, taxes and fees	-	600	-	600	14,275	18,566	32,841	33,441
Postage and shipping	326	236	-	562	922	3,201	4,123	4,685
Printing and publications	4,209	1,429	-	5,638	2,614	14,506	17,120	22,758
Public awareness	59,092	510	-	59,602	15,876	378	16,254	75,856
Rent	189,078	43,964	332	233,374	28,355	18,794	47,149	280,523
Supplies	1,851	933	-	2,784	7,808	373	8,181	10,965
Telephone	8,439	3,435	-	11,874	16,130	-	16,130	28,004
Travel	114,371	36,957	-	151,328	13,270	963	14,233	165,561
Total	\$ 6,452,615	\$ 834,089	\$ 8,213	\$ 7,294,917	\$ 732,141	\$ 326,320	\$ 1,058,461	\$ 8,353,378

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, 2019**

	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	
Personnel Costs:								
Salaries	\$ 2,112,129	\$ 573,291	\$ 1,652	\$ 2,687,072	\$ 460,200	\$ 253,000	\$ 713,200	\$ 3,400,272
Payroll taxes	169,554	45,227	341	215,122	35,717	20,122	55,839	270,961
Employee benefits	306,823	81,951	618	389,392	53,370	36,079	89,449	478,841
Total Personnel Costs	2,588,506	700,469	2,611	3,291,586	549,287	309,201	858,488	4,150,074
Accounting	17,636	4,787	-	22,423	24,207	2,026	26,233	48,656
Bank fees	137	284	-	421	21,586	2,003	23,589	24,010
Computer and internet	6,178	2,361	-	8,539	7,181	135	7,316	15,855
Contract services and professionals	796,429	116,152	-	912,581	69,582	7,000	76,582	989,163
Depreciation and amortization	40,728	11,055	-	51,783	8,330	4,680	13,010	64,793
Dues and subscriptions	6,411	18,933	750	26,094	583	105	688	26,782
Equipment rental and maintenance	1,733	207	-	1,940	5,529	-	5,529	7,469
Facilities, food and beverages	140,633	139,742	1,250	281,625	67,067	39,437	106,504	388,129
Grants	3,178,335	141,956	-	3,320,291	-	-	-	3,320,291
Insurance	13,854	3,760	-	17,614	2,834	1,592	4,426	22,040
Legal fees	16,556	2,550	-	19,106	5,814	-	5,814	24,920
Licenses, taxes and fees	-	-	-	-	16,697	16,988	33,685	33,685
Postage and shipping	367	644	-	1,011	739	6,149	6,888	7,899
Printing and publications	3,713	2,154	-	5,867	9,749	9,491	19,240	25,107
Public awareness	1,076	258	-	1,334	119	117	236	1,570
Rent	178,694	48,503	138	227,335	35,555	21,394	56,949	284,284
Supplies	1,660	4,250	-	5,910	5,618	856	6,474	12,384
Telephone	12,377	3,459	-	15,836	28,973	66	29,039	44,875
Training and development	-	-	-	-	288	-	288	288
Travel	381,665	138,004	244	519,913	20,746	9,562	30,308	550,221
Total	\$ 7,386,688	\$ 1,339,528	\$ 4,993	\$ 8,731,209	\$ 880,484	\$ 430,802	\$ 1,311,286	\$ 10,042,495

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

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 19,388,382	\$ (7,411,767)
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
Depreciation and amortization	69,716	64,793
Net appreciation in fair value of investments	(6,759)	(12,427)
Loss on disposal of property and equipment	-	2,309
Decrease (increase) in assets:		
Accounts receivable	(102,934)	(7,963)
Grants receivable	(19,352,870)	13,165,000
Prepaid expenses	29,608	15,972
Increase (decrease) in liabilities:		
Accounts payable	10,767	37,333
Accrued expenses	32,182	(61,557)
Deferred rent	(57,890)	(50,135)
Deferred revenue	(305)	(9,460)
Subgrants payable	(105,461)	127,197
Net Cash (Used for) Provided by Operating Activities	(95,564)	5,859,295
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(43,425)	(29,704)
Proceeds from sale of investments	200,220	66,417
Purchases of investments	(134,115)	(123,844)
Net Cash Provided by (Used for) Investing Activities	22,680	(87,131)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(72,884)	5,772,164
CASH AND CASH EQUIVALENTS, beginning of year	7,175,158	1,402,994
CASH AND CASH EQUIVALENTS, end of year	\$ 7,102,274	\$ 7,175,158

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, 2020 AND 2019

NOTE A – 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 B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The members of the Board of Directors of RESULTS Educational Fund, Inc. are appointed by RESULTS, Inc., resulting in the need to consolidated the financial statements of both entities (collectively, referred to as “RESULTS”) as required under accounting principles generally accepted in the United States of America. All material intercompany accounts and transactions have been eliminated in consolidation.

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.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Presentation

Financial statement presentation follows the Financial Accounting Standards Board Accounting Standards Codification Topic *Not-for-Profit Entities*. In accordance with Topic Accounting Standards Update No. 2016-14, net assets, revenue, gains and losses are classified and reported based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met by either actions of RESULTS and/or the passage of time, or that must be maintained in perpetuity by RESULTS. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the consolidated statements 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 up to \$250,000 per institution. At times, the accounts may exceed this limit; however, RESULTS believes it is not exposed to any significant credit risk on cash or cash equivalents.

Investments

Investments consist of mutual funds and domestic stock, which 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.

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 a 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, 2020 and 2019.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 and amortization are 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, 2020 and 2019, had a balance of \$9,379, and is considered board designated net assets.

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 statements of activities because the criteria for recognition of such volunteer efforts under generally accepted accounting principles has not been satisfied.

Revenue Recognition

Grants and Contributions

RESULTS recognizes grants and contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. Contributions with donor restrictions that are met in the same reporting period as the contribution is received are reported as contributions without donor restrictions support.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition – continued

Conferences and Events Revenue

Conferences and events revenue include registrations and sponsorship amounts paid by participants at published fixed rates, and are recognized at a point of time, that is, when the conference or event is held.

Contracts Revenue

Contracts revenue is derived from a program that teaches advocacy skills to environmentalist groups throughout the country for a fee, which is recognized as revenue at a point in time. Any payments received in advance are recorded as deferred revenue on the consolidated statements of financial position. Accounts receivable as of September 30, 2020 and 2019, totaled \$152,036 and \$49,102, respectively.

Foreign Currency Transactions

RESULTS records transactions denominated in a foreign currency at the United States dollar equivalent at the date of the transaction. All consolidated statements of financial position accounts have been translated using the exchange rate in effect at the consolidated statements of financial position date. Any resulting foreign currency gain or loss is recorded in the accompanying consolidated statements of activities as net gain or loss from foreign currency translation.

Methods Used for Allocation of Expenses from Management and General Activities

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and amortization, dues and subscriptions, and rent that are allocated based on salaries and related costs, which are allocated on the basis of estimates of time and effort expended.

Use of Estimates

The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Reclassifications

For comparative purposes, investment fees were netted against net appreciation in fair value of investments for the year ended September 30, 2019, and have been reclassified to conform to the current year presentation. In addition, deferred rent was broken out between current and non-current liabilities. As a result of these reclassifications, the statements of financial position, activities, functional expenses and cash flows changed for the year ended September 30, 2019. However, the reclassifications had no effect on the previously reported net assets or change in net assets.

NOTE C – INCOME TAX STATUS

RESULTS, Inc. is a not-for-profit organization defined under Section 501(c)(4), and RESULTS Educational Fund (“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, 2020 and 2019, 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 consolidated 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 for the fiscal years 2017 through 2019 are open for a tax examination by the Internal Revenue Service, although no request has been made as of the date of these consolidated financial statements.

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

RESULTS’ management regularly monitors liquidity requirements to ensure that ongoing operating needs and other contractual commitments are met. Timing of revenue receipts also ensures the availability of necessary operational funds when coordinated with the board-designated funds, which are used to cover delays in payments on existing grants. Sources of liquidity available to RESULTS include: financial assets consisting of cash and cash equivalents, accounts receivable, grants receivable, and investments. In addition, RESULTS anticipates receiving additional grants and contributions that will sufficiently cover its operating expenses over a 12-month period. Although RESULTS does not intend to spend from its board designated

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019
(continued)

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY - continued

reserves, other than amounts appropriated for expenditure, funds could be made available through board resolution, if necessary

In determining the adequacy of liquidity sources to cover general operating expenditures over a 12-month period, RESULTS considers all expenditures related to its program services, management and general, and fundraising activities, to be general operating expenditures.

As of September 30, 2020 and 2019, total financial assets held by RESULTS and the amounts of those financial assets that could readily be made available within one year of the consolidated statements of financial position date to meet general expenditures were as follow:

	2020	2019
Cash and cash equivalents	\$ 7,102,274	\$ 7,175,158
Accounts receivable	30,812	49,102
Grants receivable	19,827,870	475,000
Investments	33,179	92,525
Total Financial Assets	26,994,135	7,791,785
Less: investments encumbered by board restrictions	(9,379)	(9,379)
Less: net assets restricted by donors	(23,756,116)	(4,965,440)
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	\$ 3,228,640	\$ 2,816,966

NOTE E – 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 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.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019
(continued)

NOTE E – FAIR VALUE MEASUREMENTS - continued

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 and domestic stock are valued at the observable closing price reported in the active market in which the individual securities are traded. The following tables presents RESULTS' fair value hierarchy for investments measured at fair value on a recurring basis as of September 30, 2020 and 2019:

Assets at Fair Value as of September 30, 2020				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 33,179	\$ -	\$ -	\$ 33,179
Assets at Fair Value as of September 30, 2019				
	Level 1	Level 2	Level 3	Total
Domestic Stock	\$ 69,589	\$ -	\$ -	\$ 69,589
Mutual Funds	22,936	-	-	22,936
Total	\$ 92,525	\$ -	\$ -	\$ 92,525

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019
(continued)

NOTE F – GRANTS RECEIVABLE

The following schedule summarizes the grants receivables as of September 30, 2020:

Amount due in one year or less	\$ 7,516,848
Amount due between one year and five years	12,583,696
	<u>20,100,544</u>
Less discount, at 2.167%	(272,674)
Total grants receivable, net of discount	<u>\$ 19,827,870</u>

NOTE G – PROPERTY AND EQUIPMENT

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

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 280,484	\$ 237,059
Leasehold improvements	326,261	326,261
	<u>606,745</u>	<u>563,320</u>
Less: accumulated depreciation and amortization	(415,249)	(345,533)
Property and Equipment, Net	<u>\$ 191,496</u>	<u>\$ 217,787</u>

During the year ended September 30, 2019, RESULTS disposed of furniture and equipment and the disposal resulted in a loss of \$2,309. For the years ended September 30, 2020 and 2019, depreciation and amortization expense totaled \$69,716 and \$64,793, respectively.

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

RESULTS' net assets with restrictions consisted of the following as of September 30:

	<u>2020</u>	<u>2019</u>
ACTION Program (2020-2024)	\$ 22,885,270	\$ 4,265,010
Other global health programs	13,829	19,970
Global education programs	423,842	635,694
Global financial inclusion programs	6,325	707
US Poverty programs	394,083	-
Global expansion	32,767	44,059
Total	<u>\$ 23,756,116</u>	<u>\$ 4,965,440</u>

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019
(continued)

NOTE I – RETIREMENT PLAN

RESULTS established a Savings Incentive Match Plan for Employees, also known as a SIMPLE IRA retirement plan (the “Plan”) pursuant to Section 408(p) of the Internal Revenue Code. The Plan was established through Morgan Stanley Smith Barney. An employee is eligible to participate in the Plan if he or she is at least age 18. 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 years ended September 30, 2020 and 2019, RESULTS made a matching contribution totaling \$96,954 and \$93,553 to the Plan, respectively.

NOTE J – OPERATING LEASE COMMITMENTS

On May 16, 2013, RESULTS entered into a non-cancellable office lease agreement, which expires on November 30, 2023. For the years ended September 30, 2020 and 2019, rent expense for office space totaled \$280,523 and \$284,284, respectively.

In March 2015, RESULTS entered into a non-cancellable operating lease for a copier, which expired in March 2020. On January 20, 2020, RESULTS signed another 60-month lease for a copier with monthly payment of \$397 which will expire in March 2025. Rent expense for the copier lease totaled \$4,885 and \$6,696 for the years ended September 30, 2020 and 2019, respectively.

The future minimum payments over the life of the leases are as follow for the years ending:

	<u>Office Lease</u>	<u>Copier Lease</u>
September 30,		
2021	\$ 325,937	\$ 4,764
2022	334,085	4,764
2023	342,438	4,764
2024	58,381	4,764
2025	-	2,382
Total	<u>\$ 1,060,841</u>	<u>\$ 21,438</u>

NOTE K – LINE OF CREDIT

On October 29, 2018, 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 3.25% and expires on July 1, 2021. Management has decided not to renew the line of credit in May 2021. As of September 30, 2020 and 2019, there was no outstanding balance due on the line of credit.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019
(continued)

NOTE L – SUBSEQUENT EVENTS

RESULTS experienced financial growth since the outbreak of the pandemic, but COVID-19 presented unique challenges to the way RESULTS performed many of its services that support the health and welfare of people living in poverty in the US and globally. However, RESULTS adapted to the virtual environment quickly to take advantage of virtual opportunities for grassroots members to meet with staff, legislators, and each other. RESULTS continues to monitor the situation in an effort to leverage these new ways of impacting poverty while adding back travel and events as they become safe and practical.

In preparing these consolidated financial statements, RESULTS' management has evaluated events and transactions for potential recognition or disclosure through July 16, 2021, the date the consolidated financial statements were available to be issued. Other than the effect of COVID-19 on its program services, there were no additional events or transactions discovered during the evaluation that required recognition or further disclosure.

SUPPLEMENTARY INFORMATION

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2020**

	RESULTS, Inc.	RESULTS Educational Fund, Inc.	Eliminations	Total
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 290,153	\$ 6,812,121	\$ -	\$ 7,102,274
Accounts receivable	-	152,036	-	152,036
Grants receivable, current portion	-	7,516,848	-	7,516,848
Due from RESULTS, Inc.	-	87,710	(87,710)	-
Prepaid expenses	-	54,542	-	54,542
Total Current Assets	<u>290,153</u>	<u>14,623,257</u>	<u>(87,710)</u>	<u>14,825,700</u>
NON-CURRENT ASSETS				
Investments	23,015	10,164	-	33,179
Property and equipment, net	-	191,496	-	191,496
Grants receivable-long term, net of discount	-	12,311,022	-	12,311,022
Security deposit	-	21,896	-	21,896
Total Non-Current Assets	<u>23,015</u>	<u>12,534,578</u>	<u>-</u>	<u>12,557,593</u>
TOTAL ASSETS	<u>\$ 313,168</u>	<u>\$ 27,157,835</u>	<u>\$ (87,710)</u>	<u>\$ 27,383,293</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Accounts payable	\$ -	\$ 288,137	\$ -	\$ 288,137
Due to RESULTS Educational Fund, Inc.	87,710	-	(87,710)	-
Accrued expenses	1,663	113,953	-	115,616
Deferred revenue, current portion	-	28,210	-	28,210
Subgrants payable	-	2,375,834	-	2,375,834
Total Current Liabilities	<u>89,373</u>	<u>2,806,134</u>	<u>(87,710)</u>	<u>2,807,797</u>
NON-CURRENT LIABILITIES				
Deferred revenue, net of current portion	-	208,993	-	208,993
Total Non-Current Liabilities	<u>-</u>	<u>208,993</u>	<u>-</u>	<u>208,993</u>
Total Liabilities	<u>89,373</u>	<u>3,015,127</u>	<u>(87,710)</u>	<u>3,016,790</u>
NET ASSETS				
Without donor restrictions:				
Available for operations	214,416	386,592	-	601,008
Board designated - Cameron Duncan Fund	9,379	-	-	9,379
Total Net Assets without Donor Restrictions	<u>223,795</u>	<u>386,592</u>	<u>-</u>	<u>610,387</u>
With donor restrictions	-	23,756,116	-	23,756,116
Total Net Assets	<u>223,795</u>	<u>24,142,708</u>	<u>-</u>	<u>24,366,503</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 313,168</u>	<u>\$ 27,157,835</u>	<u>\$ (87,710)</u>	<u>\$ 27,383,293</u>

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

	RESULTS		Eliminations	Total
	RESULTS, Inc.	Educational Fund, Inc.		
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS				
Grants and contributions	\$ 139,157	\$ 1,064,029	\$ -	\$ 1,203,186
Conferences and events	76,522	156,957	-	233,479
Contracts revenue	-	145,393	-	145,393
Interest and other income	241	3,407	-	3,648
Net loss from foreign currency translation	-	(125,999)	-	(125,999)
Net appreciation in fair value of investments	-	6,759	-	6,759
Net assets released from restrictions	-	7,484,618	-	7,484,618
Total Revenue and Support Without Donor Restrictions	215,920	8,735,164	-	8,951,084
EXPENSES				
Program Services:				
ACTION Global Health Partnership	-	6,452,615	-	6,452,615
Education and Advocacy to End Poverty	-	834,089	-	834,089
Legislative Action to End Poverty	8,213	-	-	8,213
Total Program Services	8,213	7,286,704	-	7,294,917
Support Services:				
Management and General	59,248	672,893	-	732,141
Fundraising	10,157	316,163	-	326,320
Total Supporting Services	69,405	989,056	-	1,058,461
Total Expenses	77,618	8,275,760	-	8,353,378
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	138,302	459,404	-	597,706
REVENUE AND SUPPORT WITH DONOR RESTRICTIONS				
Grants and contributions	-	26,275,294	-	26,275,294
Net assets released from restrictions	-	(7,484,618)	-	(7,484,618)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	-	18,790,676	-	18,790,676
CHANGE IN NET ASSETS	138,302	19,250,080	-	19,388,382
NET ASSETS, beginning of year	85,493	4,892,628	-	4,978,121
NET ASSETS, end of year	\$ 223,795	\$ 24,142,708	\$ -	\$ 24,366,503