

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

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

SEPTEMBER 30, 2021 AND 2020

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CERTIFIED PUBLIC ACCOUNTANTS

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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, 2021 and 2020, 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, 2021 and 2020, 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 20 and 21 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.



Washington, DC
June 30, 2022

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,723,673	\$ 7,102,274
Accounts receivable	34,845	152,036
Grants receivable, current portion	6,941,643	7,516,848
Prepaid expenses	111,490	54,542
Total Current Assets	<u>15,811,651</u>	<u>14,825,700</u>
NON-CURRENT ASSETS		
Investments	45,539	33,179
Property and equipment, net	176,109	191,496
Grants receivable-long term, net of discount	6,223,896	12,311,022
Security deposit	21,896	21,896
Total Non-Current Assets	<u>6,467,440</u>	<u>12,557,593</u>
TOTAL ASSETS	<u><u>\$ 22,279,091</u></u>	<u><u>\$ 27,383,293</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 188,832	\$ 288,137
Accrued expenses	111,854	115,616
Deferred rent, current portion	36,358	28,210
Subgrants payable	2,713,169	2,375,834
Total Current Liabilities	<u>3,050,213</u>	<u>2,807,797</u>
NON-CURRENT LIABILITIES		
Deferred rent, net of current portion	135,005	208,993
Total Non-Current Liabilities	<u>135,005</u>	<u>208,993</u>
Total Liabilities	<u>3,185,218</u>	<u>3,016,790</u>
NET ASSETS		
Without donor restrictions:		
Available for operations	1,154,045	601,008
Board designated	209,379	9,379
Total Without Donor Restrictions	<u>1,363,424</u>	<u>610,387</u>
With donor restrictions	17,730,449	23,756,116
Total Net Assets	<u>19,093,873</u>	<u>24,366,503</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 22,279,091</u></u>	<u><u>\$ 27,383,293</u></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, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 1,356,707	\$ 3,009,098	\$ 4,365,805
Conferences and events	160,005	-	160,005
Contracts revenue	168,168	-	168,168
Interest and other income	4,015	-	4,015
Net assets released from restrictions	9,034,765	(9,034,765)	-
Total Revenue and Support	10,723,660	(6,025,667)	4,697,993
EXPENSES			
Program Services:			
ACTION Global Health Partnership	6,828,978	-	6,828,978
Education and Advocacy to End Poverty	1,770,797	-	1,770,797
Legislative Action to End Poverty	969	-	969
Total Program Services	8,600,744	-	8,600,744
Support Services:			
Management and General	850,124	-	850,124
Fundraising	430,207	-	430,207
Total Support Services	1,280,331	-	1,280,331
Total Expenses	9,881,075	-	9,881,075
CHANGE IN NET ASSETS FROM OPERATIONS	842,585	(6,025,667)	(5,183,082)
OTHER CHANGES			
Net loss from foreign currency translation	(97,157)	-	(97,157)
Net appreciation in fair value of investments	7,609	-	7,609
Total Other Changes	(89,548)	-	(89,548)
CHANGE IN NET ASSETS	753,037	(6,025,667)	(5,272,630)
NET ASSETS, beginning of year	610,387	23,756,116	24,366,503
NET ASSETS, end of year	\$ 1,363,424	\$ 17,730,449	\$ 19,093,873

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	9,070,324	18,790,676	27,861,000
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	7,294,917	-	7,294,917
Support Services:			
Management and General	732,141	-	732,141
Fundraising	326,320	-	326,320
Total Support Services	1,058,461	-	1,058,461
Total Expenses	8,353,378	-	8,353,378
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	(119,240)	-	(119,240)
CHANGE IN NET ASSETS	597,706	18,790,676	19,388,382
NET ASSETS, beginning of year	12,681	4,965,440	4,978,121
NET ASSETS, end of year	\$ 610,387	\$ 23,756,116	\$ 24,366,503

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, 2021**

	Program Services				Support Services			
	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	Total Expenses
Personnel Costs:								
Salaries	\$ 1,560,165	\$ 1,091,612	\$ -	\$ 2,651,777	\$ 519,301	\$ 236,853	\$ 756,154	\$ 3,407,931
Payroll taxes	129,720	90,122	-	219,842	79,755	19,632	99,387	319,229
Employee benefits	301,742	208,031	-	509,773	93,321	45,166	138,487	648,260
Total Personnel Costs	1,991,627	1,389,765	-	3,381,392	692,377	301,651	994,028	4,375,420
Accounting	19,825	16,716	-	36,541	11,621	3,627	15,248	51,789
Bank fees	-	-	-	-	4,697	10,395	15,092	15,092
Computer and internet	8,171	5,868	-	14,039	6,479	119	6,598	20,637
Contract services and professionals	910,034	142,570	-	1,052,604	55,195	54,590	109,785	1,162,389
Depreciation and amortization	36,035	25,213	-	61,248	11,395	5,471	16,866	78,114
Dues and subscriptions	5,407	8,521	750	14,678	2,215	653	2,868	17,546
Equipment rental and maintenance	4,967	5,147	-	10,114	-	1,290	1,290	11,404
Facilities, food and beverages	9,600	39,687	80	49,367	-	262	262	49,629
Grants	3,638,125	18,325	-	3,656,450	-	-	-	3,656,450
Insurance	11,836	8,282	-	20,118	3,742	1,797	5,539	25,657
Legal fees	12,786	103	-	12,889	9,110	-	9,110	21,999
Licenses, taxes and fees	-	-	100	100	16,233	14,642	30,875	30,975
Postage and shipping	1,011	690	-	1,701	3,216	3,169	6,385	8,086
Printing and publications	325	328	-	653	815	10,651	11,466	12,119
Public awareness	1,967	2,592	-	4,559	403	74	477	5,036
Rent	168,580	91,802	33	260,415	3,503	20,501	24,004	284,419
Supplies	1,839	-	-	1,839	2,936	765	3,701	5,540
Telephone	3,872	15,072	-	18,944	26,115	550	26,665	45,609
Training and development	1,571	112	-	1,683	-	-	-	1,683
Travel	1,400	4	6	1,410	72	-	72	1,482
Total	\$ 6,828,978	\$ 1,770,797	\$ 969	\$ 8,600,744	\$ 850,124	\$ 430,207	\$ 1,280,331	\$ 9,881,075

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			
	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	Total Expenses
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 STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (5,272,630)	\$ 19,388,382
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	78,114	69,716
Net appreciation in fair value of investments	(7,609)	(6,759)
Decrease (increase) in assets:		
Accounts receivable	117,191	(102,934)
Grants receivable	6,662,331	(19,352,870)
Prepaid expenses	(56,948)	29,608
Increase (decrease) in liabilities:		
Accounts payable	(99,305)	10,767
Accrued expenses	(3,762)	32,182
Deferred rent	(65,840)	(57,890)
Deferred revenue	-	(305)
Subgrants payable	337,335	(105,461)
Net Cash Provided by (Used for) Operating Activities	<u>1,688,877</u>	<u>(95,564)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(62,727)	(43,425)
Proceeds from sales of investments	34,206	200,220
Purchases of investments	(38,957)	(134,115)
Net Cash (Used for) Provided by Investing Activities	<u>(67,478)</u>	<u>22,680</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,621,399	(72,884)
CASH AND CASH EQUIVALENTS, beginning of year	<u>7,102,274</u>	<u>7,175,158</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 8,723,673</u></u>	<u><u>\$ 7,102,274</u></u>

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, 2021 AND 2020

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 consolidate 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, 2021 AND 2020
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Consolidated of Financial Statement Presentation

Consolidated Financial statement preparation follows the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*. In accordance with Topic 958, net assets, revenue, gains, and losses 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:

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 that are not a part of an investment portfolio 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 accounts 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 and cash equivalents.

Investments

Investments consist of mutual funds, 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, 2021 and 2020.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020
(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.

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, 2021 AND 2020
(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, 2021 and 2020, totaled \$34,845 and \$152,036, 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

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or support 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, which are allocated on the basis of salaries and related costs, determined by estimates of time and effort expended.

Use of Estimates

The preparation of 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, 2021 AND 2020
(continued)

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, 2021 and 2020, 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 2018 through 2020 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 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.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020
(continued)

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY – continued

As of September 30, 2021 and 2020, 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 follows:

	2021	2020
Cash and cash equivalents	\$ 8,723,673	\$ 7,102,274
Accounts receivable	34,845	152,036
Grants receivable	13,165,539	19,827,870
Investments	45,539	33,179
Total Financial Assets	21,969,596	27,115,359
Less: investments encumbered by board restrictions	(209,379)	(9,379)
Less: net assets restricted by donors	(17,730,449)	(23,756,116)
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 4,029,768</u>	<u>\$ 3,349,864</u>

NOTE E – FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, *Fair Value Measurement*, 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 Topic 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.

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.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020
(continued)

NOTE E – FAIR VALUE MEASUREMENTS - continued

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 tables presents RESULTS' fair value hierarchy for investments measured at fair value on a recurring basis as of September 30, 2021 and 2020:

Assets at Fair Value as of September 30, 2021			
	Level 1	Level 2	Level 3
Mutual Funds	\$ 45,539	\$ -	\$ -
	<u>\$ 45,539</u>	<u>\$ -</u>	<u>\$ -</u>

Assets at Fair Value as of September 30, 2020			
	Level 1	Level 2	Level 3
Mutual Funds	\$ 33,179	\$ -	\$ -
	<u>\$ 33,179</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE F – GRANTS RECEIVABLE

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

	2021	2020
Amount due in one year or less	\$ 6,941,643	\$ 7,516,848
Amount due between one year and five years	6,291,848	12,583,696
	<u>13,233,491</u>	<u>20,100,544</u>
Less: discount amount	(67,952)	(272,674)
Total grants receivable, net of discount	<u>\$ 13,165,539</u>	<u>\$ 19,827,870</u>

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020
(continued)

NOTE G – PROPERTY AND EQUIPMENT

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

	2021	2020
Furniture and equipment	\$ 337,191	\$ 280,484
Leasehold improvements	326,261	326,261
	663,452	606,745
Less: accumulated depreciation and amortization	(487,343)	(415,249)
Property and Equipment, Net	<u>\$ 176,109</u>	<u>\$ 191,496</u>

During fiscal year 2021, RESULTS disposed of fully depreciated property and equipment with a total cost of \$6,020. For the years ended September 30, 2021 and 2020, depreciation and amortization expense totaled \$78,114 and \$69,716, respectively.

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
ACTION Program (2020-2024)	\$ 17,172,442	\$ 22,885,270
Other global health programs	102,931	13,829
Global education programs	209,107	423,842
Global financial inclusion programs	46,094	6,325
US Poverty programs	183,040	394,083
Global expansion	16,835	32,767
Total	<u>\$ 17,730,449</u>	<u>\$ 23,756,116</u>

NOTE I – BOARD DESIGNATED RESERVES

Approximately 34 years ago, Cameron Duncan was the first Legislative Director of RESULTS. A fund was established in tribute to Cameron Duncan, which was considered board designated net assets. As of September 30, 2021 and 2020, the Cameron Duncan fund had a balance of \$9,379.

At the April 13, 2021, Executive Committee meeting, the Board of Directors voted to designate \$200,000 from the net assets without donor restrictions to be invested in building RESULTS' organizational capacity. The Finance Committee will monitor this investment through quarterly reporting by staff to the Finance Committee. It is expected that the investment will be spent by September 30, 2022. As of September 30, 2021 and 2020, the board designated reserves totaled \$209,379 and \$9,379, respectively.

RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020
(continued)

NOTE J – 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, 2021 and 2020, RESULTS made a matching contribution totaling \$93,860 and \$96,954 to the Plan, respectively.

NOTE K – OPERATING LEASE COMMITMENTS

On May 16, 2013, RESULTS entered into a non-cancellable office lease agreement, which expires on November 30, 2023. On August 14, 2021, RESULTS amended the lease agreement for additional office space and to extend the expiration date to November 30, 2034. However, RESULTS did not take possession of the expanded office space until December 2021. As such, the modified rent payment became effective on December 1, 2021. For the years ended September 30, 2021 and 2020, rent expense for office space totaled \$284,419 and \$280,523, 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 payments of \$397, which will expire in March 2025. Rent expense for the copier lease totaled \$4,764 and \$4,885 for the years ended September 30, 2021 and 2020, respectively.

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

<u>September 30,</u>	<u>Office Lease</u>	<u>Copier Lease</u>
2022	\$ 334,085	\$ 4,764
2023	342,438	4,764
2024	58,381	4,764
2025	-	2,382
Total	<u>\$ 734,904</u>	<u>\$ 16,674</u>

NOTE L – 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 expired on July 1, 2021. Management elected not to renew the line of credit. As of September 30, 2021 and 2020, 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, 2021 AND 2020
(continued)

NOTE M – SUBSEQUENT EVENTS

RESULTS experienced financial growth since the outbreak of the pandemic, but COVID-19 continues to present 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 has been able to take advantage of virtual opportunities that benefit its employees and grassroots members. 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 June 30, 2022, the date the consolidated financial statements were available to be issued. 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, 2021**

	RESULTS, Inc.	RESULTS Educational Fund, Inc.	Eliminations	Total
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 293,115	\$ 8,430,558	\$ -	\$ 8,723,673
Accounts receivable	-	34,845	-	34,845
Grants receivable, current portion	-	6,941,643	-	6,941,643
Due from RESULTS Educational Fund, Inc.	9,081	-	(9,081)	-
Prepaid expenses	-	111,490	-	111,490
Total Current Assets	302,196	15,518,536	(9,081)	15,811,651
NON-CURRENT ASSETS				
Investments	23,372	22,167	-	45,539
Property and equipment, net	-	176,109	-	176,109
Grants receivable-long term, net of discount	-	6,223,896	-	6,223,896
Security deposit	-	21,896	-	21,896
Total Non-Current Assets	23,372	6,444,068	-	6,467,440
TOTAL ASSETS	\$ 325,568	\$ 21,962,604	\$ (9,081)	\$ 22,279,091
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Accounts payable	\$ 100	\$ 188,732	\$ -	\$ 188,832
Due to RESULTS, Inc.	-	9,081	(9,081)	-
Accrued expenses	2,817	109,037	-	111,854
Deferred revenue, current portion	-	36,358	-	36,358
Subgrants payable	-	2,713,169	-	2,713,169
Total Current Liabilities	2,917	3,056,377	(9,081)	3,050,213
NON-CURRENT LIABILITIES				
Deferred revenue, net of current portion	-	135,005	-	135,005
Total Non-Current Liabilities	-	135,005	-	135,005
Total Liabilities	2,917	3,191,382	(9,081)	3,185,218
NET ASSETS				
Without donor restrictions:				
Available for operations	313,272	840,773	-	1,154,045
Board designated	9,379	200,000	-	209,379
Total Net Assets without Donor Restrictions	322,651	1,040,773	-	1,363,424
With donor restrictions	-	17,730,449	-	17,730,449
Total Net Assets	322,651	18,771,222	-	19,093,873
TOTAL LIABILITIES AND NET ASSETS	\$ 325,568	\$ 21,962,604	\$ (9,081)	\$ 22,279,091

**RESULTS, INC. AND
RESULTS EDUCATIONAL FUND, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

	RESULTS, Inc.	RESULTS Educational Fund, Inc.	Eliminations	Total
REVENUE AND SUPPORT				
WITHOUT DONOR RESTRICTIONS				
Grants and contributions	\$ 124,498	\$ 1,232,209	\$ -	\$ 1,356,707
Conferences and events	26,822	133,183	-	160,005
Contracts revenue	-	168,168	-	168,168
Interest and other income	1,283	2,732	-	4,015
Net loss from foreign currency translation	-	(97,157)	-	(97,157)
Net appreciation in fair value of investments	-	7,609	-	7,609
Net assets released from restrictions	-	9,034,765	-	9,034,765
Total Revenue and Support				
Without Donor Restrictions	152,603	10,481,509	-	10,634,112
EXPENSES				
Program Services:				
ACTION Global Health Partnership	-	6,828,978	-	6,828,978
Education and Advocacy to End Poverty	-	1,770,797	-	1,770,797
Legislative Action to End Poverty	969	-	-	969
Total Program Services	969	8,599,775	-	8,600,744
Support Services:				
Management and General	48,708	801,416	-	850,124
Fundraising	4,070	426,137	-	430,207
Total Support Services	52,778	1,227,553	-	1,280,331
Total Expenses	53,747	9,827,328	-	9,881,075
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	98,856	654,181	-	753,037
REVENUE AND SUPPORT				
WITH DONOR RESTRICTIONS				
Grants and contributions	-	3,009,098	-	3,009,098
Net assets released from restrictions	-	(9,034,765)	-	(9,034,765)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	-	(6,025,667)	-	(6,025,667)
CHANGE IN NET ASSETS	98,856	(5,371,486)	-	(5,272,630)
NET ASSETS , beginning of year	223,795	24,142,708	-	24,366,503
NET ASSETS , end of year	\$ 322,651	\$ 18,771,222	\$ -	\$ 19,093,873