

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

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

**DECEMBER 31, 2014**

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Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of RESULTS, Inc. and RESULTS Educational Fund, Inc. (collectively "RESULTS") (nonprofit organizations), which comprise the consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report  
RESULTS, Inc. and RESULTS Educational Fund, Inc.  
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***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of RESULTS, Inc. and RESULTS Educational Fund, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

*Janis Mauer & McQuade PA*

Columbia, MD  
July 18, 2015

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2014**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 5,517,676
Accounts receivable, net	86,108
Grants receivable (Note 4)	9,179,565
Loan receivable	175,000
Prepaid expenses	60,019
Total current assets	15,018,368

**OTHER ASSETS**

Property and equipment, net (Note 5)	366,167
Grants receivable, net of discount (Note 4)	8,009,709
Security deposit	65,689
Total other assets	8,441,565

<b>TOTAL ASSETS</b>	<b>\$ 23,459,933</b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 153,434
Accrued expenses	122,629
Deferred rent	440,997
Other liabilities	3,726
Total current liabilities	720,786

**NET ASSETS**

Unrestricted:	
Available for operations	826,818
Designated - Cameron Duncan Fund	18,392
Total unrestricted net assets	845,210
Temporarily restricted	21,893,937
Total net assets	22,739,147

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 23,459,933</b>
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See independent auditor's report and accompanying notes to consolidated financial statements.

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2014**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 854,256	\$ 28,052,677	\$ 28,906,933
Special events	1,005,472	-	1,005,472
Contracts revenue	45,801	-	45,801
Interest and other income	17,467	-	17,467
Royalties	574	-	574
Net assets released from restrictions	10,146,240	(10,146,240)	-
<b>Total Revenue and Support</b>	<u>12,069,810</u>	<u>17,906,437</u>	<u>29,976,247</u>
<b>EXPENSES</b>			
Program services:			
ACTION Program	7,274,181	-	7,274,181
Microcredit education and outreach	1,615,764	-	1,615,764
Poverty outreach and advocacy	1,501,862	-	1,501,862
Grassroots advocacy to end poverty	238,664	-	238,664
<b>Total program services</b>	<u>10,630,471</u>	<u>-</u>	<u>10,630,471</u>
Supporting services:			
Management and general	866,424	-	866,424
Fundraising	288,840	-	288,840
<b>Total supporting services</b>	<u>1,155,264</u>	<u>-</u>	<u>1,155,264</u>
<b>Total Expenses</b>	<u>11,785,735</u>	<u>-</u>	<u>11,785,735</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	284,075	17,906,437	18,190,512
<b>OTHER CHANGES</b>			
Net gain in foreign currency translation	5,448	-	5,448
Loss on disposal of fixed assets	(1,055)	-	(1,055)
<b>Total other changes</b>	<u>4,393</u>	<u>-</u>	<u>4,393</u>
<b>CHANGE IN NET ASSETS</b>	288,468	17,906,437	18,194,905
<b>NET ASSETS, beginning of year</b>	<u>556,742</u>	<u>3,987,500</u>	<u>4,544,242</u>
<b>NET ASSETS, end of year</b>	<u>\$ 845,210</u>	<u>\$ 21,893,937</u>	<u>\$ 22,739,147</u>

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

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2014**

	Program Services				Supporting Services			Total Support Services	Total Expenses
	ACTION Program	Microcredit Education and Outreach	Poverty Outreach and Advocacy	Grassroots Advocacy to End Poverty	Total Program Services	Management and General	Fundraising		
Salaries	\$ 1,309,846	\$ 621,983	\$ 605,976	\$ 167,847	\$ 2,705,652	\$ 319,816	\$ 160,547	\$ 480,363	\$ 3,186,015
Payroll taxes	99,354	48,388	47,917	12,527	208,186	21,070	13,394	34,464	242,650
Employee benefits	129,515	62,945	58,461	20,887	271,808	61,469	18,201	79,670	351,478
Total personnel and expenses	1,538,715	733,316	712,354	201,261	3,185,646	402,355	192,142	594,497	3,780,143
Accounting	-	343	-	-	343	47,973	-	47,973	48,316
Bank fees	278	2,711	89	-	3,078	27,380	116	27,496	30,574
Computer and internet	11,332	5,114	7,116	-	23,562	10,244	1,250	11,494	35,056
Conference and events	117,654	482,266	64,274	572	664,766	84,053	35,056	119,109	783,875
Contract services and professionals	968,569	140,856	158,592	45	1,268,062	81,135	4,919	86,054	1,354,116
Depreciation expenses	21,627	10,269	10,005	2,771	44,672	5,281	2,651	7,932	52,604
Dues and subscriptions	1,106	1,837	8,117	12,620	23,680	257	5,470	5,727	29,407
Equipment rental and maintenance	3,875	1,949	3,152	964	9,940	13,300	-	13,300	23,240
Grants	3,531,005	-	109,965	-	3,640,970	7,589	-	7,589	3,648,559
Insurance	11,082	5,302	5,138	1,420	22,942	2,707	1,358	4,065	27,007
Investment fee	-	-	-	-	-	2,268	-	2,268	2,268
Legal fees	4,191	-	1,861	231	6,283	4,484	34	4,518	10,801
Licenses, taxes and fees	633	185	13	2,000	2,831	9,166	10,716	19,882	22,713
Postage and shipping	12,707	235	813	-	13,755	7,886	362	8,248	22,003
Printing and publications	14,225	4,047	17,036	53	35,361	13,640	3,799	17,439	52,800
Public awareness	26,302	135	8,339	-	34,776	25,010	160	25,170	59,946
Rent	113,484	51,904	50,372	13,952	229,712	26,584	13,345	39,929	269,641
Supplies	9,690	1,349	8,388	178	19,605	11,425	1,753	13,178	32,783
Telephone	21,402	969	6,610	-	28,981	39,397	568	39,965	68,946
Training and development	175	-	-	-	175	12,672	-	12,672	12,847
Travel	866,129	172,977	329,628	2,597	1,371,331	31,618	15,141	46,759	1,418,090
Total	\$ 7,274,181	\$ 1,615,764	\$ 1,501,862	\$ 238,664	\$10,630,471	\$ 866,424	\$ 288,840	\$ 1,155,264	\$11,785,735

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

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 18,194,905
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	52,604
Loss on disposal of fixed assets	1,055
Decrease (increase) in assets:	
Accounts receivable	132,598
Grants receivable	(17,189,274)
Loan receivable	(175,000)
Prepaid expenses	99,075
Increase (decrease) in liabilities:	
Accounts payable	(529,363)
Accrued expenses	14,566
Deferred rent	(9,160)
Other current liabilities	(1,109)
Net Cash Provided by Operating Activities	590,897

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of furniture and equipment	(15,295)
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**NET INCREASE IN CASH AND CASH EQUIVALENTS** 575,602

**CASH AND CASH EQUIVALENTS, beginning of year** 4,942,074

**CASH AND CASH EQUIVALENTS, end of year** \$ 5,517,676

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



**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 1 – NATURE OF THE ORGANIZATION**

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

Program Descriptions

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

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

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

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

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**  
(continued)

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

Program Descriptions - continued

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

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

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

Basis of Accounting

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

Basis of Presentation

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

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

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

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**  
(continued)

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

Basis of Presentation - continued

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

*Permanently Restricted Net Assets* - Net assets subject to donor-imposed stipulations that the net assets will be maintained permanently by RESULTS. There were no permanently restricted net assets as of December 31, 2014.

Cash and Cash Equivalents

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

Foreign Currency Transactions

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

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 in the amount of \$59,454 was recorded as of December 31, 2014.

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**  
(continued)

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

Property and Equipment

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

Deferred Rent

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

Cameron Duncan Fund

Approximately 33 years ago, Cameron Duncan was the first Legislative Director of RESULTS. A fund was established by the Duncan family which currently has a balance of \$18,392, and is considered board designated net assets.

Revenue Recognition

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

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

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

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**  
(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 financial statement of activities because the criteria for recognition of such volunteer efforts under generally accepted accounting principles has not been satisfied.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. However, management does not believe that the actual results will be materially different from those estimates.

Functional Expense Classification

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

**NOTE 3 – INCOME TAX STATUS**

RESULTS, Inc. is a not-for-profit organization defined under Section 501(c)(4), and RESULTS Educational Fund, Inc. is a not-for-profit organization defined under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Both entities are exempt from income taxes under Section 501(a) of the Code. Under the provisions of the Code, these entities are, however, subject to tax on business income unrelated to their respective exempt purposes. As of December 31, 2014, RESULTS, Inc. and RESULTS Educational Fund, Inc. had no liability for tax on unrelated business income. Both organizations are separate entities for income tax reporting and file separate information returns as required.

RESULTS 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, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**  
(continued)

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

RESULTS' income tax returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed except under certain circumstances. RESULTS' tax returns from the years 2011 through 2013 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 – GRANTS RECEIVABLE AND NET OF DISCOUNT**

The following schedule summarizes the grants receivable as of December 31, 2014:

Amounts due within one year	<u>\$ 9,179,565</u>
Amounts due in two years	8,250,000
Less discount on grants receivable (3% rate)	<u>(240,291)</u>
Total long term grants receivable, net discount	<u>8,009,709</u>
Total grants receivable, net of discount	<u><u>\$ 17,189,274</u></u>

Long term receivables have been discounted to present value using a three percent discount rate.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of December 31, 2014:

Furniture and equipment	\$ 168,977
Leasehold improvement	<u>326,260</u>
	495,237
Less accumulated depreciation	<u>(129,070)</u>
Net Property and Equipment	<u><u>\$ 366,167</u></u>

During the year, RESULTS disposed of furniture and equipment with a total cost of \$2,401. The disposal resulted in a loss of \$1,055 for the year ended December 31, 2014. Depreciation expense totaled \$52,604 for the year ended December 31, 2014.

**NOTE 6 – LINE OF CREDIT**

RESULTS Educational Fund, Inc. has a line of credit with an available balance of \$500,000 which is secured by the organization's business assets. Interest is due monthly and is accrued at a rate of prime plus .5%, which was 3.75% as of December 31, 2014. Interest expense for the year ended December 31, 2014, totaled \$0. As of December 31, 2014, the outstanding balance on the line of credit was \$0.

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**  
(continued)

**NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS**

As of December 31, 2014, RESULTS had temporarily restricted net assets totaling \$21,893,937, which consist of the following:

ACTION Program (2014 – 2016)	\$ 19,641,440
CIFF	1,097,274
Global campaign for education	294,217
Global expansion	270,254
Education for All	248,418
Microcredit	210,790
Center for Citizen Empowerment & Transformation	131,544
Total	<u>\$ 21,893,937</u>

**NOTE 8 – OPERATING LEASE COMMITMENTS**

On May 16, 2013, RESULTS entered into a new non-cancellable office lease agreement which expires on November 30, 2023. Under the terms of the lease agreement, RESULTS has a one-time right to terminate the lease early only by giving the landlord an irrevocable written notice (the “Early Termination Notice”) no later than the last day of the sixth month of the fifth lease year. RESULTS would be responsible for the unamortized portion of improvements, rental abatement, and broker or legal fees paid by the landlord at the origination of this lease, plus interest accrued at eight (8) percent per year.

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

December 31,	
2015	\$ 275,987
2016	282,886
2017	289,958
2018	299,696
2019	312,166
2020 and thereafter	1,299,496
Total	<u>\$ 2,076,189</u>

Rent expense for office space totaled \$269,641 for the year ended December 31, 2014.

In January 2011, RESULTS entered into a non-cancellable operating lease for a copier which expires in January 2016. Rent expenses for the copier lease totaled \$6,264 for the year ended December 31, 2014.

**RESULTS, INC. AND RESULTS EDUCATIONAL FUND, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**  
(continued)

**NOTE 9 – RETIREMENT PLAN**

RESULTS has a Savings Incentive Match retirement plan pursuant to Section 408(p) of the Internal Revenue Code. All participating employees are permitted to contribute up to the maximum amounts prescribed by law. The employer 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 December 31, 2014, RESULTS made a matching contribution totaling \$38,992 to the plan.

**NOTE 10 – SUBSEQUENT EVENTS**

In preparing these financial statements, RESULTS' management has evaluated events and transactions for potential recognition or disclosure through July 18, 2015, the date the financial statements were available to be issued. There were no additional events or transactions other than those disclosed in the accompanying notes to the consolidated financial statements.



**SUPPLEMENTAL INFORMATION**



Independent Auditor's Report on Supplemental Information

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

We have audited the accompanying consolidated financial statements of RESULTS, Inc. and RESULTS Educational Fund, Inc. (collectively, "RESULTS") as of and for the year ended December 31, 2014, and have issued our report thereon dated July 18, 2015, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 16 and 17 is presented for purposes of additional analyses 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 supplemental 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 Maresca & M. Quade PA*

Columbia, MD  
July 18, 2015

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
DECEMBER 31, 2014**

	RESULTS, Inc.	RESULTS Educational Fund, Inc.	Eliminations	Total
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 442,588	\$ 5,075,088	\$ -	\$ 5,517,676
Accounts receivable, net	-	86,108	-	86,108
Grants receivable (Note9)	-	9,179,565	-	9,179,565
Loan receivable	-	175,000	-	175,000
Due from RESULTS, Inc.	-	182,680	(182,680)	-
Prepaid expenses	-	60,019	-	60,019
Total current assets	<u>442,588</u>	<u>14,758,460</u>	<u>(182,680)</u>	<u>15,018,368</u>
<b>OTHER ASSETS</b>				
Property and equipment, net (Note 8)	-	366,167	-	366,167
Grants receivable, net of discount (Note9)	-	8,009,709	-	8,009,709
Security deposit	-	65,689	-	65,689
Total other assets	<u>-</u>	<u>8,441,565</u>	<u>-</u>	<u>8,441,565</u>
<b>TOTAL ASSETS</b>	<u>\$ 442,588</u>	<u>\$ 23,200,025</u>	<u>\$ (182,680)</u>	<u>\$ 23,459,933</u>
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 1,176	\$ 152,258	\$ -	\$ 153,434
Due to RESULTS Educational Fund, Inc.	182,680	-	(182,680)	-
Accrued expenses	4,628	118,001	-	122,629
Deferred rent	-	440,997	-	440,997
Other liabilities	3,726	-	-	3,726
Total current liabilities	<u>192,210</u>	<u>711,256</u>	<u>(182,680)</u>	<u>720,786</u>
<b>NET ASSETS</b>				
Unrestricted				
Available for operations	231,986	594,832	-	826,818
Designated - Cameron Duncan Fund	18,392	-	-	18,392
Total unrestricted net assets	<u>250,378</u>	<u>594,832</u>	<u>-</u>	<u>845,210</u>
Temporarily restricted	-	21,893,937	-	21,893,937
Total net assets	<u>250,378</u>	<u>22,488,769</u>	<u>-</u>	<u>22,739,147</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 442,588</u>	<u>\$ 23,200,025</u>	<u>\$ (182,680)</u>	<u>\$ 23,459,933</u>

See independent auditor's report on supplemental information.

**RESULTS, INC. AND  
RESULTS EDUCATIONAL FUND, INC.  
CONSOLIDATING SCHEDULE OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2014**

	RESULTS, Inc.	RESULTS Educational Fund, Inc.	Eliminations	Total
<b>REVENUE AND SUPPORT</b>				
Grants and contributions	\$ 214,987	\$ 28,691,946	\$ -	\$ 28,906,933
Conferences and special events	58,259	947,213	-	1,005,472
Contracts revenue	-	45,801	-	45,801
Interest and other income	7,131	10,336	-	17,467
Royalties	-	574	-	574
Total revenue and support	<u>280,377</u>	<u>29,695,870</u>	<u>-</u>	<u>29,976,247</u>
<b>EXPENSES</b>				
Program services:				
ACTION Program	-	7,274,181	-	7,274,181
Microcredit education and outreach	-	1,615,764	-	1,615,764
Poverty outreach and advocacy	-	1,501,862	-	1,501,862
Grassroots advocacy to end poverty	234,473	4,191	-	238,664
Total program services	<u>234,473</u>	<u>10,395,998</u>	<u>-</u>	<u>10,630,471</u>
Support services:				
Management and general	51,495	814,929	-	866,424
Fundraising	46,212	242,628	-	288,840
Total supporting services	<u>97,707</u>	<u>1,057,557</u>	<u>-</u>	<u>1,155,264</u>
Total expenses	<u>332,180</u>	<u>11,453,555</u>	<u>-</u>	<u>11,785,735</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	(51,803)	18,242,315	-	18,190,512
<b>OTHER CHANGES</b>				
Net appreciated in the fair value of foreign currency	-	5,448	-	5,448
Loss on disposition of fixed assets	-	(1,055)	-	(1,055)
Total other changes	<u>-</u>	<u>4,393</u>	<u>-</u>	<u>4,393</u>
<b>CHANGE IN NET ASSETS</b>	(51,803)	18,246,708	-	18,194,905
<b>NET ASSETS, beginning of year</b>	<u>302,181</u>	<u>4,242,061</u>	<u>-</u>	<u>4,544,242</u>
<b>NET ASSETS, end of year</b>	<u>\$ 250,378</u>	<u>\$ 22,488,769</u>	<u>\$ -</u>	<u>\$ 22,739,147</u>

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