

**RESIST, INC.**

**FINANCIAL STATEMENTS**

*with*

**INDEPENDENT AUDITORS' REPORT**

**YEAR ENDED DECEMBER 31, 2019**

*(With Summarized Comparative Information for 2018)*

Smith  Sullivan  
& Brown PC  
CERTIFIED PUBLIC ACCOUNTANTS

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**RESIST, INC.**

**REPORT ON FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2019**  
*(With Summarized Comparative Information for 2018)*



**Mission Statement**

*RESIST is a foundation that supports people's movements for justice and liberation.  
We redistribute resources back to frontline communities at the forefront  
of change while amplifying their stories of building a better world.*

RESIST, INC.

REPORT ON FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

*(With Summarized Comparative Information for 2018)*

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
RESIST, Inc.  
Jamaica Plain, Massachusetts

We have audited the accompanying financial statements of RESIST, Inc. (a Massachusetts nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related 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 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 risks 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 Organization'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 Organization'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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RESIST, Inc. as of December 31, 2019 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors  
RESIST, Inc.

**Report on Summarized Comparative Information**

We have previously audited RESIST, Inc.'s 2018 financial statements, and our report dated April 25, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Smith, Sullivan & Brown, PC*

Westborough, Massachusetts  
March 28, 2020

RESIST, INC.

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2019 AND 2018

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b><u>CURRENT ASSETS:</u></b>		
Cash, Operating Funds	\$ 140,474	\$ 125,816
Cash, Fiscally Sponsored Projects	188,603	-
Contributions Receivable	2,779	50,626
Prepaid Expenses and Advances	8,659	9,429
Total Current Assets	<u>340,515</u>	<u>185,871</u>
 <b><u>NET PROPERTY AND EQUIPMENT</u></b>	 <u>1,394</u>	 <u>-</u>
 <b><u>LONG-TERM INVESTMENTS:</u></b>		
Board Designated Investments	<u>964,973</u>	<u>637,916</u>
 <b><u>OTHER ASSETS:</u></b>		
Security Deposits	<u>500</u>	<u>500</u>
Total Other Assets	<u>500</u>	<u>500</u>
 <b><u>TOTAL ASSETS</u></b>	 <b><u>\$ 1,307,382</u></b>	 <b><u>\$ 824,287</u></b>

**LIABILITIES AND NET ASSETS**

<b><u>CURRENT LIABILITIES:</u></b>		
Grants Payable	\$ 60,000	\$ 56,000
Accounts Payable and Accrued Expenses	-	2,423
Accrued Payroll and Related Costs	7,866	8,438
Total Current Liabilities	<u>67,866</u>	<u>66,861</u>
 <b><u>NON-CURRENT LIABILITIES:</u></b>		
Grants Payable	<u>32,000</u>	<u>28,000</u>
Total Non-Current Liabilities	<u>32,000</u>	<u>28,000</u>
 <b><u>TOTAL LIABILITIES</u></b>	 <u>99,866</u>	 <u>94,861</u>
 <b><u>NET ASSETS:</u></b>		
Net Assets Without Donor Restrictions:		
Board Designated	964,973	637,916
Operating	29,940	47,648
Total Net Assets Without Donor Restrictions	994,913	685,564
Net Assets With Donor Restrictions	212,603	43,862
Total Net Assets	<u>1,207,516</u>	<u>729,426</u>
 <b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	 <b><u>\$ 1,307,382</u></b>	 <b><u>\$ 824,287</u></b>

RESIST, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
*(With Summarized Comparative Totals for 2018)*

	<u>2019</u>			<u>2018</u>
	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>	<u>TOTAL</u>
<b><u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u></b>				
<i>Public Support:</i>				
Gifts and Pledges	\$ 1,454,581	\$ 24,000	\$ 1,478,581	\$ 1,346,443
Bequests	188,515	-	188,515	86,589
Total Public Support	<u>1,643,096</u>	<u>24,000</u>	<u>1,667,096</u>	<u>1,433,032</u>
<i>Other Revenues:</i>				
Fiscally Sponsored Projects	-	242,042	242,042	-
Net Investment Return	97,303	-	97,303	13,013
Other Revenues	13,227	-	13,227	1,523
Total Other Revenues	<u>110,530</u>	<u>242,042</u>	<u>352,572</u>	<u>14,536</u>
<i>Reclassifications of Net Assets:</i>				
Satisfaction of Donor Restricted Projects	43,862	(43,862)	-	-
Satisfaction of Donor Restrictions for Fiscally Sponsored Projects	53,439	(53,439)	-	-
Total Reclassifications	<u>97,301</u>	<u>(97,301)</u>	<u>-</u>	<u>-</u>
<b><u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u></b>	<b><u>1,850,927</u></b>	<b><u>168,741</u></b>	<b><u>2,019,668</u></b>	<b><u>1,447,568</u></b>
<b><u>FUNCTIONAL EXPENSES:</u></b>				
Program Services	1,158,770	-	1,158,770	992,526
Administrative	92,315	-	92,315	100,340
Fund Raising	290,493	-	290,493	296,035
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<b><u>1,541,578</u></b>	<b><u>-</u></b>	<b><u>1,541,578</u></b>	<b><u>1,388,901</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b><u>309,349</u></b>	<b><u>168,741</u></b>	<b><u>478,090</u></b>	<b><u>58,667</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>685,564</u></b>	<b><u>43,862</u></b>	<b><u>729,426</u></b>	<b><u>670,759</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 994,913</u></b>	<b><u>\$ 212,603</u></b>	<b><u>\$ 1,207,516</u></b>	<b><u>\$ 729,426</u></b>

RESIST, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
*(With Summarized Comparative Totals for 2018)*

	<u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>FUNCTIONAL EXPENSES</u>	
				<u>2019</u>	<u>2018</u>
Salaries and Wages	\$ 159,097	\$ 34,174	\$ 46,044	\$ 239,315	\$ 284,368
Employee Benefits	37,413	8,036	10,828	56,277	55,504
Payroll Taxes	<u>19,251</u>	<u>4,135</u>	<u>5,571</u>	<u>28,957</u>	<u>32,387</u>
Total Personnel Costs	215,761	46,345	62,443	324,549	372,259
Grants Awarded	777,636	-	-	777,636	630,923
Program Activities	70,364	-	-	70,364	22,723
Fiscally Sponsored Projects	53,439	-	-	53,439	-
Cost of Direct Mail Campaigns	-	-	181,292	181,292	177,945
Advertising and Outreach	53	512	53	618	1,908
Occupancy	8,780	1,886	2,541	13,207	19,319
General Insurance	772	166	223	1,161	1,147
Director and Officer Insurance	-	2,737	-	2,737	2,737
Depreciation Expense	-	348	-	348	-
Equipment Rental and Maintenance	-	86	-	86	2,752
Telephone, Website and Communications	4,528	409	551	5,488	6,053
Office Expenses and Minor Equipment	2,036	437	589	3,062	3,312
Postage, Freight and Delivery	-	7,255	1,710	8,965	7,931
Accounting/Audit Fees	-	11,500	-	11,500	11,500
Consultants/Professional Fees	16,849	2,343	20,741	39,933	69,949
Board of Directors Expenses	450	450	-	900	331
Travel, Conferences and Staff Development	3,727	2,627	-	6,354	18,033
General Fund Raising Expenses	-	-	5,058	5,058	5,706
Memberships, Publications and Filing Fees	4,086	9,911	15,208	29,205	20,040
Bank and Credit Card Processing Fees	-	3,637	-	3,637	9,722
Miscellaneous Expenses	<u>289</u>	<u>1,666</u>	<u>84</u>	<u>2,039</u>	<u>4,611</u>
<b>Total Functional Expenses</b>	<b><u>\$ 1,158,770</u></b>	<b><u>\$ 92,315</u></b>	<b><u>\$ 290,493</u></b>	<b><u>\$ 1,541,578</u></b>	<b><u>\$ 1,388,901</u></b>



RESIST, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in Net Assets	\$ 478,090	\$ 58,667
<i>Adjustments to Reconcile the Above to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation Expense	348	-
Net Investment Return	(97,303)	(13,013)
Donated Securities	(133,012)	-
<i>(Increase) Decrease in Current Assets:</i>		
Contributions Receivable	47,847	(50,626)
Prepaid Expenses and Advances	770	(4,890)
<i>Increase (Decrease) in Current Liabilities:</i>		
Grants Payable	4,000	(65,785)
Accounts Payable and Accrued Expenses	(2,423)	(34,778)
Accrued Payroll and Related Costs	(572)	2,140
<i>(Increase) Decrease in Other Assets:</i>		
Security Deposits	-	1,730
<i>Increase (Decrease) in Non-Current Liabilities:</i>		
Increase (Decrease) in Non-Current Grants Payable	4,000	16,000
Net Adjustment	<u>(176,345)</u>	<u>(149,222)</u>
<b><u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>	<b><u>301,745</u></b>	<b><u>(90,555)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Acquisition of Property and Equipment	(1,742)	-
Proceeds from Sale of Investments and Maturities	326,389	381,960
Purchase of Investments	<u>(705,443)</u>	<u>(388,408)</u>
Net Cash Flows from Investing Activities	<u>(380,796)</u>	<u>(6,448)</u>
<b><u>NET DECREASE IN CASH BALANCES</u></b>	<b><u>(79,051)</u></b>	<b><u>(97,003)</u></b>
<b><u>CASH - BEGINNING OF YEAR</u></b>	<b><u>408,128</u></b>	<b><u>505,131</u></b>
<b><u>CASH - END OF YEAR</u></b>	<b><u>\$ 329,077</u></b>	<b><u>\$ 408,128</u></b>
<i>Cash Balances:</i>		
Cash, Operating Funds	\$ 140,474	\$ 125,816
Cash, Fiscally Sponsored Projects	188,603	-
Included in Board Designated Investments	<u>-</u>	<u>282,312</u>
Total	<u>\$ 329,077</u>	<u>\$ 408,128</u>

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

*(With Summarized Comparative Information for 2018)*

NOTE 1     ORGANIZATION

RESIST, Inc., (“RESIST” or the “Organization”) an organization which promotes world peace and equality through informing the public about current affairs and assisting community groups with similar goals, was incorporated in 1978 under Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code. RESIST has been classified as an organization which is not a private foundation under section 509(a); accordingly, contributions to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

NOTE 2     PROGRAM SERVICES

**Mission:**

RESIST is a foundation that supports people's movements for justice and liberation. We redistribute resources back to frontline communities at the forefront of change while amplifying their stories of building a better world. RESIST has two programmatic areas: Resource Redistribution and Storytelling.

**Resource Redistribution Program:**

RESIST maintains a vigorous grantmaking program that distributes funds four times each year.

RESIST funds activist organizing, cultural organizing, resilience building, and educational work within movements for social change - concentrating on support for organizations that do not have access to more traditional sources of funds. As a result, RESIST’s funding priorities include groups with an annual budget of \$150,000 or less and projects that encourage people to take action, rather than merely disseminate information or perform social services. Grant decisions are made by current or past grantees who sit on RESIST’s Grant-Making Panel and are made in accordance with RESIST’s funding priorities. Targeted Grantmaking Programs include:

*General Support* - Organizations that meet RESIST’s funding criteria may apply for a one-year general support grant, with the maximum amount requested not to exceed \$4,000. RESIST provides funds for general support as a means of enabling grantees to build infrastructure and capacity while engaged in ongoing social justice activism.

*Multi-Year Funding* - After carefully considering how to maximize its impact in building capacity and supporting the long-term work of movements for social change, RESIST initiated a multi-year funding program in 2001. Multi-year grants cover a three-year period and are designed to provide general support to eligible grantee organizations. Grants awards are \$4,000 for each year of eligibility.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

*(With Summarized Comparative Information for 2018)*

*(Continued)*

NOTE 2 *(Continued)*

*Rapid Response Funding* - RESIST offers a \$1,000 Rapid Response grant to better meet the needs of frontline groups and organizations. This grant is for groups looking to:

Imagine and Build: for groups seeking financial support with training, consultation, healing, cultural work, conflict resolution, and/or restructuring.

RESIST and Respond: for groups seeking to respond to unforeseen and timely political opportunities with organizing and/or cultural interventions.

**Storytelling Program:**

RESIST's Storytelling Program amplifies the stories of our grantees in their RESISTance and reimagining of this world. We do this principally through our online and social media presence.

*Online and Social Media* - The RESIST website ([www.RESIST.org](http://www.RESIST.org)) provides an array of resources to grantees, donors, and colleagues. RESIST utilizes email communication with a few thousand subscribers, as well as Facebook, Twitter, and Instagram to provide timely analysis of emergent as well as ongoing political issues.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's financial statements are described below to enhance the usefulness of the financial statements to the reader. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to generally accepted accounting principles has, in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

**Basis of Accounting:**

The Organization maintains its books and prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when a liability has been incurred.

**Fair Value of Financial Instruments:**

The Organization reports its fair value measures by using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are defined as follows:

Level 1 - Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

(With Summarized Comparative Information for 2018)

(Continued)

NOTE 3 (Continued)

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rate and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The primary use of fair value measures in the Organization's financial statements is the recurring measurement of the *Board Designated Investments*. There have been no changes to this valuation methodology.

**Financial Statement Presentation:**

As required by the *FASB Accounting Standards Codification*<sup>TM</sup>, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These classifications are related to the existence or absence of donor-imposed restrictions as follows:

*Net Assets Without Donor Restrictions* - consists of assets, public support and program revenues which are available and used for operations and programs. Net assets without donor restrictions represents the portion of net assets of the Organization that are not restricted by donor-imposed stipulations. Contributions are considered available for use unless specifically restricted by the donor. In addition, net assets within this classification include funds which represent resources designated by the Board of Directors for specific purposes.

*Net Assets With Donor Restrictions* - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants or bequests and may include investment income earned on restricted funds. These net assets may also include resources which have a donor-imposed restriction which stipulates that a portion of the assets are to be maintained in perpetuity, but permits the Organization to expend part or all of the income derived from the donated assets.

The accompanying financial statements include certain 2018 comparative information. With respect to the Statement of Activities, such prior year information is not presented by net asset class, and in the Statement of Functional Expenses, 2018 expenses by line item are in total rather than by functional category. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

(With Summarized Comparative Information for 2018)

(Continued)

NOTE 3 (Continued)

**Contributions Receivable:**

*Contributions Receivable* reflects unconditional promises to give. Receivables are classified as current if they are scheduled for payment within one year, and non-current when the expected payment date exceeds one year. As of December 31, 2019 and 2018, all contributions receivable were classified as current.

Management periodically reviews specific grants, commitments and agreements to determine if any balances are uncollectible. Management believes that all receivables are collectible; therefore, no allowance for doubtful amounts has been established. If balances due are determined to be uncollectible in subsequent periods, an allowance will be established at that time.

**Investments:**

The Organization maintains professionally managed investment portfolios which may include money market funds, bonds, publicly traded equity securities and mutual funds that are reported at fair value. As required by the *FASB Accounting Standards Codification*<sup>TM</sup>, investment purchases are recorded at cost, or if donated at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statement of Financial Position. Net investment return (loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Cash held in brokerage accounts is reported as investments for purposes of these financial statements. Investments are classified as either short-term or long-term depending on the underlying intentions.

Occasionally, RESIST, Inc. receives donations of stocks which are recorded as contribution revenue when received. In addition, RESIST, Inc. maintains investment accounts which are held in managed brokerage accounts. Investments which are Board designated are classified as long-term investments because those assets are not intended for use in the current operating budget. Any remaining investments are classified as current, as they may be available for current activities. For the years presented, all investments were considered to be long-term.

**Property and Equipment:**

Property, equipment, furnishing and improvement purchases in excess of \$500 are capitalized at cost, if purchased, or if donated, at fair value at the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method, and is charged to activities over the estimated useful lives of the assets as expressed in terms of years.

Net property and equipment consists of computer equipment with an original costs of \$1,742 and is presented net of accumulated depreciations of \$348 as of December 31, 2019. Depreciation Expense for the year ended December 31, 2019 was \$348. The estimated useful life of the equipment is five years.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

*(With Summarized Comparative Information for 2018)*

*(Continued)*

NOTE 3 *(Continued)*

**Gifts, Grants, and Contributions:**

As required by the FASB Accounting Standards Codification™, contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend have been met.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions depending on the nature of the restriction until the restriction expires, at which time these amounts are reclassified to net assets without donor restrictions.

RESIST also receives occasional bequests. Bequests are a donor's intention to provide a portion of his/her estate to RESIST for its general funds. All amounts stated in a bequest are subject to change based upon the remaining value of estate assets after all debts and obligations have been fulfilled. Therefore, such donations are not recognized as contribution revenue until the ultimate gifts are received. During the years ended December 31, 2019 and 2018, contribution revenue from bequests amounted to \$188,515 and \$86,589, respectively.

**Donated Goods and Services:**

As required by the *FASB Accounting Standards Codification*™, RESIST maintains a policy whereby the value of the donated goods and services which requires a specialized skill and which would have otherwise been purchased by the Organization are recognized as in-kind revenue with a corresponding increase in functional expenses, or fixed assets. For the years presented, there were no in-kind donations which met the recognition criteria.

**Fiscal Sponsorship:**

In each year presented, the Organization acted as a fiscal sponsor for several project which are consistent with the mission of the Organization. Grants and contributions made for these projects through RESIST are recognized as support with donor restrictions in the year received. Funds collected and held for distribution related to these projects are released from Net Assets With Donor Restrictions as eligible costs are incurred. For the years ended December 31, 2019, the Organization expended \$53,439, which is included in *Fiscally Sponsored Projects* in the accompanying Statement of Functional Expenses.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

(With Summarized Comparative Information for 2018)

(Continued)

NOTE 3 (Continued)

**Functional Expenses:**

As required by the *FASB Accounting Standards Codification*<sup>TM</sup>, the Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated based on management's estimates about space and time usage. Expenses allocated by time consist of *Salaries and Wages, Employee Benefits, Payroll Taxes, Occupancy, General Insurance and Office Expenses and Minor Equipment*.

Supporting services are those related to operating and managing RESIST, Inc. and its programs on a day-to-day basis.

Supporting services have been sub-classified as follows:

*Administrative* - includes all activities related to RESIST, Inc.'s internal management and accounting for program services.

*Fund Raising* - includes all activities related to maintaining contributor information, direct and indirect costs of special fund raising events, distribution of materials and other similar projects related to the procurement of funds and volunteer services for the Organization's programs.

**Reclassifications:**

Certain amounts in the prior year comparative information have been reclassified to conform to the current year presentation. Reclassifications made to the prior year information have no impact on total net assets or changes in net assets

**Recent Accounting Guidance:**

*Recently Implemented Standards*

In June 2018, the FASB issued ASC Update No. 2018-08, (Topic 958) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made ("ASU")*. This ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides additional guidance to help determine whether a contribution is conditional or unconditional. This standard was adopted by the Organization effective January 1, 2019.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

(With Summarized Comparative Information for 2018)

(Continued)

NOTE 4    BOARD DESIGNATED INVESTMENTS

As of December 31, 2019 and 2018, investment costs and unrealized gains and losses consisted of the following components:

<u>Investment Type</u>	<u>December 31, 2019</u>		
	<u>Total Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observation Inputs (Level 2)</u>
Cash	\$ 69,839	\$ 69,839	\$ -
Certificates of Deposit	23,050	-	23,050
Marketable Equity Securities	617,192	617,192	-
Fixed Income Mutual Funds	<u>254,892</u>	<u>254,892</u>	<u>-</u>
Totals	<u>\$964,973</u>	<u>\$941,923</u>	<u>\$23,050</u>

  

<u>Investment Type</u>	<u>December 31, 2018</u>		
	<u>Total Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observation Inputs (Level 2)</u>
Cash	\$304,565	\$304,565	\$ -
Certificates of Deposit	23,050	-	23,050
Marketable Equity Securities	192,269	192,269	-
Fixed Income Mutual Funds	110,055	110,055	-
Energy Limited Partnerships	<u>7,977</u>	<u>7,977</u>	<u>-</u>
Totals	<u>\$637,916</u>	<u>\$614,866</u>	<u>\$23,050</u>

The Organization uses the following ways to determine the fair value of its investments:

Certificates of Deposit: Stated at cost plus accrued interest.

Mutual Funds: Determined at the published NAV unit at the end of the last trading day of the fiscal year, which is the basis for the transactions at that date. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities and then divided by the number of shares held by the Organization at year end. NAV is quoted in an active market.

Equity Securities and Energy Limited Partnerships traded on national securities exchanges: Determined by the closing price on the last business day of the year.



RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

(With Summarized Comparative Information for 2018)

(Continued)

NOTE 5    NET ASSETS

**Board Designated:**

*Board Designated Net Assets* represents resources without donor restrictions that have been designated by the Board of Directors for Legacy Funds and Operating Reserve Funds. Legacy Funds originate from memorial contributions and bequests, some of which include agreed upon spending guidelines with the donors and are intended to support the grantmaking program, while other funds have been established with unrestricted bequests and may be used at the discretion of the Board of Directors.

From time to time, the Board of Directors has authorized temporary borrowings from the discretionary board designated funds, with the intention to replenish the funds. Therefore, the composition of the *Board Designated Net Assets* may include cash, investments and internal loans to be repaid. As of December 31, 2019 and 2018, the composition of the *Board Designated Net Assets* was as follows:

	<u>2019</u>	<u>2018</u>
Long-Term Investments:		
Legacy Funds	\$543,102	\$282,686
Operating Reserve Funds	<u>421,871</u>	<u>355,230</u>
Total	<u>\$964,973</u>	<u>\$637,916</u>

**Net Assets With Donor Restrictions:**

As of December 31, 2019 and 2018, net assets with donor restrictions consisted of the following balances:

<u>Purpose</u>	<u>2019</u>	<u>2018</u>
Fiscally Sponsored Project - BEJA	\$145,333	\$ -
Fiscally Sponsored Project- Neighborhood Birth Center	43,270	-
Education Focused Projects	24,000	-
Puerto Rico Relief Fund	-	<u>43,862</u>
Total	<u>\$212,603</u>	<u>\$43,862</u>

For the years presented, net assets were released from donor restrictions for the following purposes:

<u>Purpose</u>	<u>2019</u>	<u>2018</u>
Fiscally Sponsored Project - BEJA	\$38,340	\$ -
Fiscally Sponsored Project- Neighborhood Birth Center	15,099	-
Puerto Rico Relief Fund	<u>43,862</u>	<u>16,138</u>
Total	<u>\$97,301</u>	<u>\$16,138</u>

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

*(With Summarized Comparative Information for 2018)*

*(Continued)*

NOTE 6    GRANTS AWARDED

For the years ended December 31, 2019 and 2018, grants were awarded to 246 and 240 organizations, respectively. The liability arising from multi-year commitments which is expected to be paid within one year of the Statement of Financial Position date is classified as current. The remaining future obligation is categorized as non-current.

As of December 31, 2019 and 2018, the liability for grants payable scheduled for future payment is as follows:

<u>Payable in Year Ending</u>	<u>2019</u>	<u>2018</u>
December 31, 2019	\$ -	\$56,000
December 31, 2020	60,000	28,000
December 31, 2021	<u>32,000</u>	<u>-</u>
Total Future Funding Commitment	<u>\$92,000</u>	<u>\$84,000</u>

The ultimate payment of these grants is contingent upon the recipients' ability to continue to meet the award criteria and is subject to re-evaluation prior to payment.

NOTE 7    OPERATING LEASE COMMITMENTS

RESIST occupied approximately 1,500 square feet of office space pursuant to a five-year lease that commenced March 15, 2008, which established the initial base annual rent at \$33,750 plus \$5,400 for storage rental, which was extended for an additional five-year term. A subtenant rented approximately 40% of the space, for a prorated portion of the cost, under identical terms. Occupancy costs are stated net of subtenant payments. The lease expired on March 14, 2018 and was not renewed.

In line with its strategic plan, RESIST relocated its offices to a smaller temporary space located in Jamaica Plain under a 10-month lease expiring December 31, 2018 which provided 200 square feet of office space at a monthly cost of \$500. The lease was renewed through December 31, 2019, for which the annual lease obligation was \$6,300.

On January 1, 2020, the Organization entered into a new lease agreement for office space located in Jamaica Plain under a 12-month lease expiring December 31, 2020 which provides 229 square feet of space at a monthly cost of \$1,050. The total lease obligation for FY 2020 is \$12,600. RESIST plans to remain at the temporary location while pursuing options for a long-term permanent location.

NOTE 8    EMPLOYEE BENEFIT PLANS

Two tax-deferred retirement plans are offered to employees under Internal Revenue Code section 403(b), through which eligible employees may elect to defer up to 15% of their wages. RESIST matches the first 4% that employees contribute, and the contribution by the Organization amounted to \$6,712 and \$8,263 for the years ended December 31, 2019 and 2018, respectively.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

*(With Summarized Comparative Information for 2018)*

*(Continued)*

NOTE 9     RELATED PARTY TRANSACTIONS

In each of the years presented, an employee served as the Clerk of the Corporation.

**Advances:**

During 2019, the Organization advanced funds to its Clerk under a formal, written agreement. As of December 31, 2019, the amount due from the individual amounted to \$4,009 and is included within *Prepaid Expenses and Advances* in the accompanying Statements of Financial Position. Under the agreement, the amount is expected to be fully repaid in 2020.

NOTE 10     CONCENTRATIONS

**Cash:**

The Organization is subject to concentrations of credit risk relating primarily to uninsured cash deposits held at one financial institution. Cash deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. The Organization had \$90,926 and \$158,988 in excess of federally insured limits as of December 31, 2019 and 2018, respectively. The Organization has not experienced any losses on uninsured cash balances, and Management considers credit risk on cash to be low.

**Investments:**

The Organization invests or holds a variety of investment vehicles, including money market funds, stocks and bonds. These investments are exposed to interest rate, market, credit and other risks depending upon the nature of the investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Organization's investments; however, the Organization's investments do not represent significant concentrations of market risk considering the Organization's portfolio is widely diversified among issuers. The investment performance is reviewed by the Board on a periodic basis.

**Contributions Receivable:**

As of December 31, 2018 amounts due from one individual accounted for 100% of total *Contributions Receivable*.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

*(With Summarized Comparative Information for 2018)*

*(Continued)*

NOTE 11 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of December 31, 2019 and 2018, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or because the governing board has set aside the funds for a specific contingency reserve or a long-term investment.

	<u>2019</u>	<u>2018</u>
Financial Assets:		
Cash, Operating Funds	\$ 140,474	\$ 125,816
Cash, Fiscally Sponsored Projects	188,603	-
Contributions Receivable	2,779	50,626
Investments	<u>964,973</u>	<u>637,916</u>
Total Financial Assets as of December 31	1,296,829	814,358
Less Amounts Not Available to be Used Within One Year:		
Cash Held for Fiscally Sponsored Projects	(188,603)	-
Board Designated Investments	<u>(964,973)</u>	<u>(637,916)</u>
Financial Assets Available to Meet		
General Expenditures Within One Year	<u>\$ 143,253</u>	<u>\$ 176,442</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Organization has Board Designated investment funds that, while the Organization does not intend to spend these for purposes within the next year, these amounts could be made available for current operations, if necessary.

NOTE 12 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through March 28, 2020, the date which the financial statements were available for issue, and noted the following event which met the criteria:

**Impact of COVID-19:**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of Organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around its impact. However, the related financial impact and duration cannot be reasonably estimated at this time.