

RESIST, INC.

FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT

YEAR ENDED DECEMBER 31, 2020

(With Summarized Comparative Information for 2019)

Smith  Sullivan
& Brown PC
CERTIFIED PUBLIC ACCOUNTANTS

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RESIST, INC.

REPORT ON FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020
(With Summarized Comparative Information for 2019)



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, 2020

(With Summarized Comparative Information for 2019)

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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, 2020, 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, 2020 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 2019 financial statements, and our report dated March 28, 2020, 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, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Smith, Sullivan & Brown, PC

Westborough, Massachusetts
May 5, 2021

RESIST, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
<u>CURRENT ASSETS:</u>		
Cash, Operating Funds	\$ 757,451	\$ 140,474
Cash, Fiscally Sponsored Projects	1,939,607	188,603
Contributions Receivable	3,474	2,779
Prepaid Expenses and Advances	11,807	8,659
Total Current Assets	<u>2,712,339</u>	<u>340,515</u>
<u>NET PROPERTY AND EQUIPMENT</u>	<u>1,046</u>	<u>1,394</u>
<u>LONG-TERM INVESTMENTS:</u>		
Board Designated Investments	<u>853,288</u>	<u>964,973</u>
<u>OTHER ASSETS:</u>		
Security Deposits	<u>500</u>	<u>500</u>
Total Other Assets	<u>500</u>	<u>500</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,567,173</u>	<u>\$ 1,307,382</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Grants Payable	\$ 52,000	\$ 60,000
Accounts Payable and Accrued Expenses	2,230	-
Accrued Payroll and Related Costs	15,399	7,866
Total Current Liabilities	<u>69,629</u>	<u>67,866</u>
<u>NON-CURRENT LIABILITIES:</u>		
Grants Payable	<u>24,000</u>	<u>32,000</u>
Total Non-Current Liabilities	<u>24,000</u>	<u>32,000</u>
<u>TOTAL LIABILITIES</u>	<u>93,629</u>	<u>99,866</u>
<u>NET ASSETS:</u>		
Net Assets Without Donor Restrictions:		
Board Designated	853,288	964,973
Operating	680,649	29,940
Total Net Assets Without Donor Restrictions	1,533,937	994,913
Net Assets With Donor Restrictions	1,939,607	212,603
Total Net Assets	<u>3,473,544</u>	<u>1,207,516</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 3,567,173</u>	<u>\$ 1,307,382</u>

RESIST, INC

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Summarized Comparative Totals for 2019)

	<u>WITHOUT DONOR</u> <u>RESTRICTIONS</u>	<u>WITH DONOR</u> <u>RESTRICTIONS</u>	<u>TOTAL ACTIVITIES</u> <u>2020</u>	<u>2019</u>
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>				
<i>Support and Revenues:</i>				
Gifts and Pledges	\$ 1,655,955	\$ -	\$ 1,655,955	\$ 1,478,581
Fiscally Sponsored Projects	-	2,654,235	2,654,235	242,042
Paycheck Protection Program Grant	-	64,580	64,580	-
Bequests	435	-	435	188,515
Net Investment Return	68,344	-	68,344	97,303
Other Revenues	-	-	-	13,227
Total Other Revenues	<u>1,724,734</u>	<u>2,718,815</u>	<u>4,443,549</u>	<u>2,019,668</u>
<i>Reclassifications of Net Assets:</i>				
Satisfaction of Donor Restrictions	991,811	(991,811)	-	-
Total Reclassifications	<u>991,811</u>	<u>(991,811)</u>	<u>-</u>	<u>-</u>
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>2,716,545</u>	<u>1,727,004</u>	<u>4,443,549</u>	<u>2,019,668</u>
<u>FUNCTIONAL EXPENSES:</u>				
<i>Program Services:</i>				
RESIST Programs	947,473	-	947,473	1,105,331
Fiscally Sponsored Projects	903,569	-	903,569	53,439
Total Program Services	<u>1,851,042</u>	<u>-</u>	<u>1,851,042</u>	<u>1,158,770</u>
<i>Supporting Services:</i>				
Administrative	102,475	-	102,475	92,315
Fund Raising	224,004	-	224,004	290,493
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>2,177,521</u>	<u>-</u>	<u>2,177,521</u>	<u>1,541,578</u>
<u>CHANGE IN NET ASSETS</u>	539,024	1,727,004	2,266,028	478,090
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>994,913</u>	<u>212,603</u>	<u>1,207,516</u>	<u>729,426</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 1,533,937</u>	<u>\$ 1,939,607</u>	<u>\$ 3,473,544</u>	<u>\$ 1,207,516</u>

RESIST, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Summarized Comparative Totals for 2019)

	<u>RESIST</u>	<u>FISCALLY</u>	<u>TOTAL</u>	<u>ADMINI-</u>	<u>FUND</u>	<u>TOTAL</u>		
	<u>PROGRAMS</u>	<u>SPONSORED</u>	<u>PROGRAM</u>	<u>STRATIVE</u>	<u>RAISING</u>	<u>FUNCTIONAL EXPENSES</u>	<u>2020</u>	<u>2019</u>
		<u>PROJECTS</u>	<u>EXPENSES</u>					
Salaries and Wages	\$ 190,234	\$ 169,097	\$ 359,331	\$ 38,317	\$ 50,695	\$ 448,343	\$ 268,939	
Employee Benefits	57,295	18,127	75,422	11,540	15,269	102,231	56,277	
Payroll Taxes	20,056	17,762	37,818	4,040	5,345	47,203	34,816	
Total Personnel Costs	<u>267,585</u>	<u>204,986</u>	<u>472,571</u>	<u>53,897</u>	<u>71,309</u>	<u>597,777</u>	<u>360,032</u>	
Grants Awarded	641,588	531,540	1,173,128	-	-	1,173,128	777,636	
Program Activities	-	90,519	90,519	-	-	90,519	88,320	
Cost of Direct Mail Campaigns	-	-	-	-	108,058	108,058	181,292	
Advertising and Outreach	2,750	-	2,750	-	2,989	5,739	5,676	
Occupancy	8,584	-	8,584	1,729	2,287	12,600	13,207	
General Insurance	792	-	792	160	211	1,163	1,161	
Director and Officer Insurance	-	-	-	2,737	-	2,737	2,737	
Depreciation Expense	-	-	-	348	-	348	348	
Telephone, Website and Communications	5,317	-	5,317	379	502	6,198	5,488	
Office Expenses and Minor Equipment	2,479	-	2,479	499	661	3,639	3,148	
Postage, Freight and Delivery	-	-	-	1,470	6,000	7,470	8,965	
Consultants/Professional Fees	15,302	76,524	91,826	15,806	19,691	127,323	51,433	
Travel, Conferences and Staff Development	2,432	-	2,432	1,955	-	4,387	7,254	
Memberships, Publications and Filing Fees	-	-	-	19,026	12,125	31,151	29,205	
Bank and Credit Card Processing Fees	-	-	-	2,606	-	2,606	3,637	
Miscellaneous Expenses	644	-	644	1,863	171	2,678	2,039	
Total Functional Expenses	<u>\$ 947,473</u>	<u>\$ 903,569</u>	<u>\$ 1,851,042</u>	<u>\$ 102,475</u>	<u>\$ 224,004</u>	<u>\$ 2,177,521</u>	<u>\$ 1,541,578</u>	

RESIST, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ 2,266,028	\$ 478,090
<i>Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:</i>		
Depreciation Expense	348	348
Net Investment Return	(68,344)	(97,303)
Donated Securities	(110,386)	(133,012)
<i>(Increase) Decrease in Current Assets:</i>		
Contributions Receivable	(695)	47,847
Prepaid Expenses and Advances	(3,148)	770
<i>Increase (Decrease) in Current Liabilities:</i>		
Grants Payable	(8,000)	4,000
Accounts Payable and Accrued Expenses	2,230	(2,423)
Accrued Payroll and Related Costs	7,533	(572)
<i>Increase (Decrease) in Non-Current Liabilities:</i>		
Non-Current Grants Payable	(8,000)	4,000
Net Adjustment	(188,462)	(176,345)
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>2,077,566</u>	<u>301,745</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of Property and Equipment	-	(1,742)
Proceeds from Sale of Investments and Maturities	437,762	326,389
Purchase of Investments	(147,347)	(705,443)
Net Cash Flows from Investing Activities	290,415	(380,796)
<u>NET INCREASE (DECREASE) IN CASH BALANCES</u>	<u>2,367,981</u>	<u>(79,051)</u>
<u>CASH BALANCES - BEGINNING OF YEAR</u>	<u>329,077</u>	<u>408,128</u>
<u>CASH BALANCES - END OF YEAR</u>	<u>\$ 2,697,058</u>	<u>\$ 329,077</u>
<i>Cash Balances:</i>		
Cash, Operating Funds	\$ 757,451	\$ 140,474
Cash, Fiscally Sponsored Projects	1,939,607	188,603
Total	<u>\$ 2,697,058</u>	<u>\$ 329,077</u>

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(With Summarized Comparative Information for 2019)

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, 2020

(With Summarized Comparative Information for 2019)

(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) 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.

Movement Sustainability Commons:

Movement Sustainability Commons was founded in 2020 as a joint project between RESIST and the Center for Economic Democracy. Based in Boston, Massachusetts, Movement Sustainability Commons nourishes and sustains people and groups working for justice, economic democracy, and liberation by offering affordable, high quality services, practices, spaces and pathways that support both interdependence and self-reliance for community self-determination. Movement Sustainability Commons strengthens partners' short and long-term sustainability by offering affordable, high quality services while centering relationships and connection, and these services include fiscal sponsorship, grassroots fundraising, and a bookkeeper's cooperative. The fiscally sponsored projects managed by Movement Sustainability Commons include Birth Center Equity Fund, Boston Education Justice Alliance, National War Tax Resisters, Northeast Farmers of Color Land Trust, Resource Organizing Project, and Student Immigrant Movement. These projects have signed Memorandums of Understanding with Movement Sustainability Commons. While Movement Sustainability Commons is in the development stage, the activity is being carried as a pilot program of RESIST. It is anticipated that Movement Sustainability Commons will apply for and receive its own tax exempt status, at which time, the related resources and activities will be transferred to the newly formed entity. Until then, the activities and net assets will be reported as those with donor restrictions in the accompanying financial statements.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(With Summarized Comparative Information for 2019)

(Continued)

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.
- 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 are the initial measurement of unconditional promises to give and 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*TM, 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:

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(With Summarized Comparative Information for 2019)

(Continued)

NOTE 3 (Continued)

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 2019 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, 2019 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, 2019, from which the summarized information was derived.

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, 2020 and 2019, 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*TM, 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.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(With Summarized Comparative Information for 2019)

(Continued)

NOTE 3 *(Continued)*

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 \$2,000 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 cost of \$1,742 and is presented net of accumulated depreciations of \$696 and \$348 as of December 31, 2020 and 2019, respectively. Depreciation Expense was \$348 for each of the years presented. The estimated useful life of the equipment is five years.

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. When the conditions are met, the corresponding support is reported as contributions with donor restrictions.

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, 2020 and 2019, contribution revenue from bequests amounted to \$435 and \$188,515, respectively.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(With Summarized Comparative Information for 2019)

(Continued)

NOTE 3 (Continued)

Donated Goods and Services:

As required by the *FASB Accounting Standards Codification*TM, 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, RESIST acted as a fiscal sponsor for projects 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, 2020 and 2019, the Organization expended \$903,569 and \$53,439, respectively, which is included in *Fiscally Sponsored Projects* in the accompanying Statement of Functional Expenses.

Functional Expenses:

As required by the *FASB Accounting Standards Codification*TM, 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.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(With Summarized Comparative Information for 2019)

(Continued)

NOTE 3 *(Continued)*

Grants Awarded:

During the years presented, RESIST made grants to other charitable and non-charitable tax exempt organizations, including those made on behalf of fiscally sponsored projects, to fund projects in accordance with specific guidelines more fully described in Note 2. The Organization's policy is to record grants as an expense and corresponding obligation at the time an unconditional funding commitment is made. Conditional commitments are not recognized in the financial statements until measurable performance or other barriers have substantially been met. Future payments on multi-year commitments are contingent upon the grantees' ability to continue to meet the award criteria and is subject to re-evaluation prior to payment. However, these conditions are not considered to be measurable barriers pursuant to Generally Accepted Accounting Principles, and therefore, the full amount of the commitments are recorded in the initial year of the award.

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. The non-current portion of multi-year grant commitments are discounted to present value when such amounts are deemed material.

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, 2020. This ASU provides organizations with the option of applying the clarified guidance in the initial year of implementation on a prospective basis; therefore, the Organization has not restated its 2019 revenue balances or opening net assets for the years presented.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(With Summarized Comparative Information for 2019)

(Continued)

NOTE 4 BOARD DESIGNATED INVESTMENTS

As of December 31, 2020 and 2019, investment costs and unrealized gains and losses consisted of the following components:

<u>Investment Type</u>	December 31, 2020		
	Total Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observation Inputs (Level 2)
Cash	\$ 8,953	\$ 8,953	\$ -
Certificates of Deposit	23,050	-	23,050
Marketable Equity Securities	541,842	541,842	-
Fixed Income Mutual Funds	<u>279,443</u>	<u>279,443</u>	<u>-</u>
Totals	<u>\$853,288</u>	<u>\$830,238</u>	<u>\$23,050</u>
<u>Investment Type</u>	December 31, 2019		
	Total Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observation Inputs (Level 2)
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>

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

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(With Summarized Comparative Information for 2019)

(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, 2020 and 2019, the composition of the *Board Designated Net Assets* was as follows:

	<u>2020</u>	<u>2019</u>
Long-Term Investments:		
Legacy Funds	\$647,839	\$543,102
Operating Reserve Funds	<u>205,449</u>	<u>421,871</u>
Total	<u>\$853,288</u>	<u>\$964,973</u>

Net Assets With Donor Restrictions:

As of December 31, 2020 and 2019, net assets with donor restrictions consisted of the following balances:

<u>Nature of Restriction</u>	<u>2020</u>	<u>2019</u>
Fiscally Sponsored Projects:		
Northeast Farmers of Color Land Trust	\$797,090	\$ -
Birth Center Equity Fund	517,834	-
Movement Sustainability Commons	235,484	-
Neighborhood Birth Center	214,742	43,270
Boston Education Justice Alliance	120,685	145,333
Resource Organizing Project	44,234	-
Student Immigrant Movement	9,030	-
Other	508	-
Education Focused Projects	-	<u>24,000</u>
Total	<u>\$1,939,607</u>	<u>\$212,603</u>

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

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(With Summarized Comparative Information for 2019)

(Continued)

NOTE 5 (Continued)

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

<u>Purpose</u>	<u>2020</u>	<u>2019</u>
Fiscally Sponsored Projects:		
Northeast Farmers of Color Land Trust	\$ 129,555	\$ -
Birth Center Equity Fund	501,463	-
Movement Sustainability Commons	12,909	-
Neighborhood Birth Center	83,838	15,099
Boston Education Justice Alliance	124,701	38,340
Resource Organizing Project	96,992	-
Movement Ground Farm	98,084	-
National War Tax Resisters	5,185	-
Other	12,535	-
Education Focused Projects	24,000	-
Paycheck Protection Program	64,580	-
Puerto Rico Relief Fund	-	43,862
Subtotal	<u>1,153,842</u>	<u>97,301</u>
Interfund Transfers*	<u>(162,031)</u>	<u>-</u>
Total	<u>\$ 991,811</u>	<u>\$97,301</u>

*Transfers between fiscally sponsored projects.

NOTE 6 GRANTS AWARDED

For the years ended December 31, 2020 and 2019, grants were awarded to 250 and 246 organizations, respectively. As of December 31, 2020 and 2019, the liability for grants payable scheduled for future payment is as follows:

<u>Payable in Year Ending</u>	<u>2020</u>	<u>2019</u>
December 31, 2020	\$ -	\$60,000
December 31, 2021	52,000	32,000
December 31, 2022	<u>24,000</u>	<u>-</u>
Total Future Funding Commitment	<u>\$76,000</u>	<u>\$92,000</u>

NOTE 7 OPERATING LEASE COMMITMENTS

RESIST occupies office space in Jamaica Plain under a renewable 12-month lease agreement. The lease obligation was \$6,300 for 2019. 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 2020 is \$12,600. The lease was renewed through December 31, 2021.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(With Summarized Comparative Information for 2019)

(Continued)

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 \$7,747 and \$6,712 for the years ended December 31, 2020 and 2019, respectively.

NOTE 9 RELATED PARTY TRANSACTIONS

Board of Directors:

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, 2020 and 2019, the amount due from the individual amounted to \$2,909 and \$4,003, respectively, 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 2021.

NOTE 10 CONTINGENCIES

Impact of COVID-19:

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of grants, contributions, revenue and other material adverse effects to the Organization's financial position, change in net assets and cash flows. The Organization is not able to estimate the length of severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effected on the Organization's operations continue for an extended period of time, the Organization may have to seek alternative measures to finance its operation. There is no assurance these measures will be successful.

Paycheck Protection Program:

RESIST, Inc. received a loan in the amount of \$64,580 through the Paycheck Protection Program established by the U.S. CARES Act (the "PPP Loan") on April 22, 2020. The Organization has elected to account for the expected forgivable portion of this loan as a conditional grant commitment. The Organization expects to receive full forgiveness of the loan, while any remaining balance would be repayable over a five-year term and subject to interest at the annual rate of 1%. The amount forgiven equals the amount incurred on qualifying costs (payroll, mortgage interest, rent utilities, as defined and subject to limitations) during the covered period. The amount forgiven is reduced if a) the Organization decreases its staffing levels during the covered period, or b) reduces salaries/wages during the covered period; however, those reductions are subject to certain exemptions. As of December 31, 2020, the Organization has incurred \$64,580 of qualifying costs which has been recognized as grant income for the fiscal year then ended.

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

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(Continued)

NOTE 11 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 \$1,865,377 and \$90,926 in excess of federally insured limits as of December 31, 2020 and 2019, 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 of Directors on a periodic basis.

Movement Sustainability Commons:

For the year ended December 31, 2020, approximately 60% of total support and revenues, 41% of total functional expenses and 56% of total net assets (100% of net assets with donor restrictions) are represented by activities and fiscally sponsored projects of the Movement Sustainability Commons.

NOTE 12 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization’s financial assets as of December 31, 2020 and 2019, 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>2020</u>	<u>2019</u>
Financial Assets:		
Cash, Operating Funds	\$ 757,451	\$ 140,474
Cash, Fiscally Sponsored Projects	1,939,607	188,603
Contributions Receivable	3,474	2,779
Investments	<u>853,288</u>	<u>964,973</u>
Total Financial Assets as of December 31	3,553,820	1,296,829
Less Amounts Not Available to be Used Within One Year:		
Cash Held for Fiscally Sponsored Projects	(1,939,607)	(188,603)
Board Designated Investments	<u>(853,288)</u>	<u>(964,973)</u>
Financial Assets Available to Meet		
General Expenditures Within One Year	<u>\$ 760,925</u>	<u>\$ 143,253</u>

RESIST, INC.

NOTES TO FINANCIAL STATEMENTS

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(With Summarized Comparative Information for 2019)

(Continued)

NOTE 12 *(Continued)*

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 13 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 May 5, 2021, the date which the financial statements were available for issue, and noted no events that which met the criteria.