

**INFACT**  
**(d/b/a CORPORATE ACCOUNTABILITY)**

---

**FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**INFACT**  
**(d/b/a CORPORATE ACCOUNTABILITY)**

**Financial Statements**  
**June 30, 2019 and 2018**

**C O N T E N T S**

<b>Independent Auditors' Report</b>	1-2
<b>Financial Statements:</b>	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Cash Flows	6
Statements of Functional Expenses	7-8
Notes to the Financial Statements	9-18



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
INFACT (d/b/a Corporate Accountability)  
Boston, Massachusetts

### **Report on Financial Statements**

We have audited the accompanying financial statements of INFACT (d/b/a Corporate Accountability) (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 of material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of INFACT (d/b/a Corporate Accountability) as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, INFACT (d/b/a Corporate Accountability) adopted the Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.



**Certified Public Accountants  
Braintree, Massachusetts**

October 10, 2019

**INFACT**  
**(d/b/a CORPORATE ACCOUNTABILITY)**

**Statements of Financial Position**

**June 30, 2019 and 2018**

**INFACT**  
**(d/b/a Corporate Accountability)**

**Statements of Financial Position**

**June 30,**

**Assets**

	<u>2019</u>	<u>2018</u>
<b>Current Assets:</b>		
Cash and equivalents	\$ 2,697,470	\$ 1,845,083
Pledges receivable, current	<u>350,000</u>	<u>410,000</u>
<b>Total Current Assets</b>	<u>3,047,470</u>	<u>2,255,083</u>
<b>Property and equipment, net</b>	<u>88,989</u>	<u>117,442</u>
<b>Other Asset:</b>		
Pledges receivable, net of current portion	<u>219,288</u>	<u>598,604</u>
<b>Total Assets</b>	<u>\$ 3,355,747</u>	<u>\$ 2,971,129</u>

**Liabilities and Net Assets**

<b>Current Liabilities:</b>		
Current portion of note payable	\$ 32,214	\$ 28,335
Accounts payable	82,560	65,754
Accrued expenses	9,900	9,600
Accrued vacation	<u>82,986</u>	<u>57,936</u>
<b>Total Current Liabilities</b>	<u>207,660</u>	<u>161,625</u>
<b>Non-current Liabilities:</b>		
Note payable, net of current portion	-	32,166
Deferred rent	<u>256,860</u>	<u>240,607</u>
<b>Total Non-current Liabilities</b>	<u>256,860</u>	<u>272,773</u>
<b>Total Liabilities</b>	<u>464,520</u>	<u>434,398</u>
<b>Net Assets:</b>		
Without donor restrictions	2,178,981	1,455,082
With donor restrictions	<u>712,246</u>	<u>1,081,649</u>
<b>Total Net Assets</b>	<u>2,891,227</u>	<u>2,536,731</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 3,355,747</u>	<u>\$ 2,971,129</u>

*The accompanying notes are an integral part of the financial statements.*

**INFACT**  
**(d/b/a Corporate Accountability)**

**Statements of Activities and Changes in Net Assets**

**For the Year Ended June 30, 2019**

	2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues:</b>			
Contributions	\$ 6,587,020	\$ 438,460	\$ 7,025,480
Other income	988	-	988
Released from restriction	<u>807,863</u>	<u>(807,863)</u>	<u>-</u>
<b>Total Revenues</b>	<u>7,395,871</u>	<u>(369,403)</u>	<u>7,026,468</u>
<b>Expenses:</b>			
Program services	6,079,195	-	6,079,195
Management and general	246,772	-	246,772
Fundraising	<u>346,005</u>	<u>-</u>	<u>346,005</u>
<b>Total Expenses</b>	<u>6,671,972</u>	<u>-</u>	<u>6,671,972</u>
<b>Changes in Net Assets</b>	<b>723,899</b>	<b>(369,403)</b>	<b>354,496</b>
Net Assets, Beginning of Year	<u>1,455,082</u>	<u>1,081,649</u>	<u>2,536,731</u>
<b>Net Assets, End of Year</b>	<u>\$ 2,178,981</u>	<u>\$ 712,246</u>	<u>\$ 2,891,227</u>

*The accompanying notes are an integral part of the financial statements.*

**INFACT**  
**(d/b/a Corporate Accountability)**

**Statements of Activities and Changes in Net Assets**

**For the Year Ended June 30, 2018**

	2018		<u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
<b>Revenues:</b>			
Contributions	\$ 5,743,475	\$ 703,720	\$ 6,447,195
Other income	-	-	-
Released from restriction	<u>745,110</u>	<u>(745,110)</u>	<u>-</u>
<b>Total Revenues</b>	<u>6,488,585</u>	<u>(41,390)</u>	<u>6,447,195</u>
<b>Expenses:</b>			
Program services	5,798,197	-	5,798,197
Management and general	274,861	-	274,861
Fundraising	<u>312,555</u>	<u>-</u>	<u>312,555</u>
<b>Total Expenses</b>	<u>6,385,613</u>	<u>-</u>	<u>6,385,613</u>
<b>Changes in Net Assets</b>	102,972	(41,390)	61,582
Net Assets, Beginning of Year	<u>1,352,110</u>	<u>1,123,039</u>	<u>2,475,149</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,455,082</u>	<u>\$ 1,081,649</u>	<u>\$ 2,536,731</u>

*The accompanying notes are an integral part of the financial statements.*



**INFACT**  
**(d/b/a Corporate Accountability)**

**Statements of Cash Flows**

**For the Years Ended June 30,**

	<u>2019</u>	<u>2018</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	<u>\$ 354,496</u>	<u>\$ 61,582</u>
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	28,453	30,955
Changes in assets and liabilities:		
Pledges receivable	439,316	(38,069)
Prepaid expenses	-	3,850
Deposits	-	1,531
Accounts payable and accrued expenses	17,106	(19,189)
Accrued vacation	25,050	(11,086)
Deferred rent	<u>16,253</u>	<u>30,860</u>
Net Adjustments	<u>526,178</u>	<u>(1,148)</u>
Net Cash Provided by Operating Activities	<u>880,674</u>	<u>60,434</u>
<b>Cash Flows from Financing Activity:</b>		
Payments on note payable	<u>(28,287)</u>	<u>(26,971)</u>
<b>Net Increase in Cash and Equivalents</b>	<b>852,387</b>	<b>33,463</b>
Cash and Equivalents, Beginning of Year	<u>1,845,083</u>	<u>1,811,620</u>
<b>Cash and Equivalents, End of Year</b>	<u><b>\$ 2,697,470</b></u>	<u><b>\$ 1,845,083</b></u>
<b>Supplemental Cash Flow Information:</b>		
Cash paid for interest	<u>\$ 2,821</u>	<u>\$ 6,232</u>

*The accompanying notes are an integral part of the financial statements.*

**INFACT**  
**(d/b/a Corporate Accountability)**

**Statement of Functional Expenses**

**For the Year Ended June 30, 2019**

	2019			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 3,347,506	\$ 109,004	\$ 182,368	\$ 3,638,878
Payroll taxes	<u>237,237</u>	<u>11,807</u>	<u>11,882</u>	<u>260,926</u>
<b>Subtotal</b>	<b>3,584,743</b>	<b>120,811</b>	<b>194,250</b>	<b>3,899,804</b>
Advertising	5,735	-	-	5,735
Bank and credit card charges	-	69,928	-	69,928
Conferences and trainings	69,104	414	2,699	72,217
Consultants and contract services	780,397	226	47,753	828,376
Depreciation	28,453	-	-	28,453
Equipment and maintenance	8,618	527	313	9,458
Grants	236,918	-	-	236,918
Insurance	14,590	-	-	14,590
Legal fees	2,500	-	-	2,500
Media and education	365,323	-	710	366,033
Meetings and events	19,650	6,947	11,857	38,454
Postage and shipping	4,170	127	176	4,473
Printing and copying	1,880	222	125	2,227
Publications and membership dues	37,999	87	3,207	41,293
Rent	584,116	33,997	23,660	641,773
State registration fees	4,838	-	-	4,838
Supplies	17,508	467	621	18,596
Telephone and internet	57,210	1,646	2,195	61,051
Travel	245,206	11,043	57,999	314,248
Utilities	<u>10,237</u>	<u>330</u>	<u>440</u>	<u>11,007</u>
<b>Total</b>	<b><u>\$ 6,079,195</u></b>	<b><u>\$ 246,772</u></b>	<b><u>\$ 346,005</u></b>	<b><u>\$ 6,671,972</u></b>

*See the independent auditors' report on supplemental information.*

**INFACT**  
**(d/b/a Corporate Accountability)**

**Statement of Functional Expenses**

**For the Year Ended June 30, 2018**

	2018			
	Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$3,184,672	\$157,478	\$135,430	\$ 3,477,580
Payroll taxes	<u>235,934</u>	<u>8,543</u>	<u>7,623</u>	<u>252,100</u>
<b>Subtotal</b>	3,420,606	166,021	143,053	3,729,680
Advertising	16,595	-	-	16,595
Bank and credit card charges	-	63,883	-	63,883
Conferences and trainings	74,265	18	1,463	75,746
Consultants and contract services	690,154	151	52,386	742,691
Depreciation	20,906	4,803	5,246	30,955
Equipment and maintenance	22,037	54	72	22,163
Grants	114,030	-	-	114,030
Insurance	17,466	-	-	17,466
Legal fees	2,500	-	-	2,500
Media and education	493,752	-	9,742	503,494
Meetings and events	24,155	3,762	7,516	35,433
Postage and shipping	5,703	183	235	6,121
Printing and copying	22,740	516	687	23,943
Publications and membership dues	28,390	138	1,211	29,739
Rent	591,322	17,023	22,697	631,042
State registration fees	4,006	-	820	4,826
Supplies	20,148	848	716	21,712
Telephone and internet	57,454	1,658	2,210	61,322
Travel	162,733	15,537	64,147	242,417
Utilities	<u>9,235</u>	<u>266</u>	<u>354</u>	<u>9,855</u>
<b>Total</b>	<u>\$ 5,798,197</u>	<u>\$ 274,861</u>	<u>\$ 312,555</u>	<u>\$ 6,385,613</u>

*See the independent auditors' report on supplemental information.*

# INFACT (d/b/a CORPORATE ACCOUNTABILITY)

## Notes to the Financial Statements

**June 30, 2019 and 2018**

Note 1 - **Summary of Significant Accounting Policies**

*Nature of Activities*

INFACT, doing business as Corporate Accountability (the “Organization”), a Minnesota corporation, is a not-for-profit organization with the goal to educate the public about life-threatening abuses by global corporations, including interference in public policymaking.

The Organization's headquarters are in Boston, Massachusetts, with other offices in both North America and South America.

*Basis of Accounting*

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Under the accrual basis, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

*Basis of Presentation*

The accompanying financial statements have been prepared utilizing the accrual basis of accounting in accordance with generally accept accounting principles in the United States of America which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expensed for any purpose in performing the objectives of the Organization. These net assets may be used at the discretion of Corporate Accountability's Corporate Accountability International management.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net asset without restrictions in the statements of activities. Restricted contributions in which the restrictions are met in the same year are reported as without donor restrictions revenue.

**INFACT**  
**(d/b/a CORPORATE ACCOUNTABILITY)**

**Notes to the Financial Statements - Continued**

**June 30, 2019 and 2018**

Note 1 - **Summary of Significant Accounting Policies - Continued**

*Measure of operations*

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing purpose and the return earned on investments. Nonoperating activities are limited to other activities considered to be of a more unusual or nonrecurring nature.

*Cash and Equivalents*

Cash and equivalents include all monies in banks and highly liquid investments with original maturities of three months or less.

*Pledges Receivable*

Unconditional promises to give are included in the financial statements as pledges receivable and revenue for the appropriate net asset category. Pledges are recorded at the present value of the expected future cash flows using a risk-free interest rate commensurate with the date of the donation. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. As of June 30, 2019 and 2018, management has confidence that all pledges receivable will be fulfilled.

*Property and Equipment*

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

*Deferred Rent*

The Organization leases its Boston, Massachusetts headquarters under a lease agreement with escalating monthly payments, as described further in Note 7. The Organization recognizes the related rent expense for this lease agreement on the straight-line basis. The deferred rent amount represents the difference between the rent expense recorded and the monthly rental payments.

*Contributions*

Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. Temporarily restricted contributions received during the year meeting donor-imposed stipulations are recorded as unrestricted contributions. All other contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

**INFACT**  
**(d/b/a CORPORATE ACCOUNTABILITY)**

**Notes to the Financial Statements - Continued**

**June 30, 2019 and 2018**

Note 1 - **Summary of Significant Accounting Policies - Continued**

*Advertising*

The Organization charges the cost of advertising to expense as incurred. For the years ended June 30, 2019 and 2018, advertising costs amounted to \$5,735 and \$16,595, respectively.

*Functional Allocation of Expenses*

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail by function. Accordingly, certain costs have been allocated among the program and supporting services benefited based on a direct identification basis, where practical, and on a percentage allocation basis based on management's judgement using time and effort as a cost allocation method.

*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 about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made as facts and circumstances require. As future events and their effects cannot be determined with certainty, actual results may differ from the estimates used in preparing the accompanying financial statements. Significant estimates and assumptions are required as part of determining the value of pledges receivable, estimating depreciation, and the recoverability of long-lived assets.

*Financial Instruments*

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and equivalents and pledges receivable. The Organization maintains its cash and equivalents in bank deposit accounts, the balances of which, at times, may exceed federally insured limits. Exposure to credit risk and deposit risk is reduced by placing such deposits in high-quality financial institutions.

# INFACT

## (d/b/a CORPORATE ACCOUNTABILITY)

### Notes to the Financial Statements - Continued

**June 30, 2019 and 2018**

Note 1 - **Summary of Significant Accounting Policies - Continued**

*Financial Instruments - continued*

The carrying amounts of certain financial instruments including cash and equivalents and pledges receivable approximate fair value as of June 30, 2019, because of the relatively short maturity of these instruments.

*Income Taxes*

The Organization has been notified by the Internal Revenue Service that it meets the qualifications to be classified as a tax-exempt entity under section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(VI). As a not-for-profit entity exempt from income taxes, the Organization may, however, be subject to tax on unrelated business income.

Accounting principles generally accepted in the United States of America require an entity to assess the probability that a tax position has a more likely than not ("MLTN") sustainability after review by tax authorities. If a tax position is deemed not to meet this threshold, any unrecognized tax benefits and costs are estimated and recognized. Tax returns are routinely open for review by the tax authorities for three years from their due date. In certain circumstances the statute of limitations may remain open indefinitely.

*Reclassifications*

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation.

*Adoption of New Accounting Pronouncement*

Not-for-Profit Entities - *Presentation of Financial Statements for Not-for-Profit Entities* – The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14. The adoption of this pronouncement had a material effect on the presentation of the financial statements but did not necessitate an adjustment to total net assets of prior periods or operations of the current period. The pronouncement changes the net asset classification and investment return and enhances the disclosures for information about liquidity and availability of resources and expenses. The ASU has been applied retrospectively to all periods presented.

# INFACT

## (d/b/a CORPORATE ACCOUNTABILITY)

### Notes to the Financial Statements - Continued

**June 30, 2019 and 2018**

Note 1 - **Summary of Significant Accounting Policies - Continued**

*New Accounting Pronouncements*

*Revenue from Contracts with Customers* - FASB issued ASU 2014-09 effective, as amended, for periods beginning after December 15, 2018, for non-public companies. The purpose of the pronouncement is to remove inconsistencies and weaknesses in current revenue recognition requirements; to provide a more robust framework for addressing revenue recognition issues and to improve comparability of recognition across entities, industries, jurisdictions and capital markets. The ASU requires the Board to perform certain specific steps to identify performance obligations and determine transaction prices to establish the appropriate revenue recognition, in addition to improved disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Management is in the process of evaluating this pronouncement and has not yet determined its impact, if any, on the financial statements.

*Leases* - The Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update 2016-02 (“ASU 2016-02”) effective for non-public and most not-for-profit entities for fiscal years beginning after December 15, 2019. Implementation of this standard will require lessees to recognize on the statement of financial position the rights and obligations resulting from leases categorized as operating leases as assets and liabilities. It provides for an election on leases with terms of less than twelve months to be excluded from this standard. Management does not expect implementation to have a material effect on financial position or results of operations.

*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, an amendment to Topic 958 - Not-for-Profit Entities - FASB issued ASU 2018-08. The purpose of this pronouncement is to provide guidance in determining whether resource providers and resource recipients are participating in an exchange transaction, or if the transfer of funds is a contribution, by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. For non-public resource recipients, the amendment is effective for periods beginning after December 15, 2018. For non-public resource providers, the amendment is effective for periods beginning after December 15, 2019. Management is in the process of evaluating this pronouncement and has not yet determined its impact on the financial statements.



**INFACT**  
**(d/b/a CORPORATE ACCOUNTABILITY)**

**Notes to the Financial Statements - Continued**

**June 30, 2019 and 2018**

Note 2 - **Pledges Receivable**

Pledges receivable consist of unconditional promises to be received by the Organization in future years. Pledges receivable are as follows at June 30,:

	<u>2019</u>	<u>2018</u>
Less than one year	\$ 350,000	\$ 410,000
Between one and five years	175,000	550,000
Between six and nine years	<u>60,000</u>	<u>90,000</u>
	<b>585,000</b>	1,050,000
Less: discount at 1.5% and 2.0%, respectively	<u>(15,712)</u>	<u>(41,396)</u>
Total pledges receivable, net	<u><b>\$ 569,288</b></u>	<u><b>\$ 1,008,604</b></u>

Note 3 - **Property and Equipment**

A summary of the major components of property and equipment at June 30, is as follows:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 169,958	\$ 169,958
Furniture and equipment	<u>355,917</u>	<u>355,917</u>
	<b>525,875</b>	525,875
Less: accumulated depreciation	<u>(436,886)</u>	<u>(408,433)</u>
Property and equipment, net	<u><b>\$ 88,989</b></u>	<u><b>\$ 117,442</b></u>

Note 4 - **Line of Credit**

The Organization has a revolving line of credit allowing for maximum borrowings of \$600,000, secured by all of the Organization's assets. Interest is payable monthly at the financial institution's base rate which can fluctuate at the bank's discretion based on economic conditions. There was no balance outstanding at June 30, 2019 and 2018.

**INFACT**  
**(d/b/a CORPORATE ACCOUNTABILITY)**

**Notes to the Financial Statements - Continued**

**June 30, 2019 and 2018**

Note 5 - **Long-term Debt**

*Note payable*

Long-term debt consists of the following at June 30,:

	<u>2019</u>	<u>2018</u>
Note payable to Eastern Bank, collateralized by all assets of the Organization, monthly payments, including principal and interest at 4.72% of \$2,548, due June 2020.	\$ 32,214	\$ 60,501
Less: Amounts due within one year	<u>32,214</u>	<u>28,335</u>
	<u>\$ -</u>	<u>\$ 32,166</u>

Principal maturities of long-term debt subsequent to June 30, 2019 are as follows:

<u>Years Ending</u> <u>June 30,</u>	
2020	<u>\$ 32,214</u>

Interest expense on all indebtedness for the years ended June 30, 2019 and 2018 amounted to \$2,821 and \$6,232, respectively.

Note 6 - **Net Assets**

Net assets with donor restrictions consist of amounts received for Real Food Media: A Project of Corporate Accountability and pledged contributions that are expected to be received in future years.

For the years ended June 30, 2019 and 2018 the Organization released \$387,670 and \$334,479, respectively, of net assets with donor restrictions for expenditure purposes related to Real Food Media: A Project of Corporate Accountability.

For the years ended June 30, 2019 and 2018, the Organization released \$420,193 and \$410,631, respectively, of temporarily restricted net assets related to program support.

**INFACT**  
**(d/b/a CORPORATE ACCOUNTABILITY)**

**Notes to the Financial Statements - Continued**

**June 30, 2019 and 2018**

Note 7 - **Leasing Activities**

The Organization leases its Boston, Massachusetts headquarters under a lease agreement with escalating monthly payments concluding in December 2025. The Organization's additional office spaces are all tenant-at-will arrangements. Rent expense for the years ended June 30, 2019 and 2018, amounted to \$641,773 and \$631,042, respectively. Rent expense represents 9% - 10% of total expenses and management expects future rent expense will remain at, or below, the aforementioned percentages.

Future minimum lease payments subsequent to June 30, 2019 are as follows:

Years Ending <u>June 30,</u>	
2020	\$ 563,587
2021	578,194
2022	592,801
2023	607,408
2024	622,015
Thereafter	<u>1,013,970</u>
Total	<u>\$ 3,977,975</u>

Note 8 - **Joint Costs**

The Organization hires a consultant to distribute direct mail that includes a fundraising appeal. Total joint costs of direct mail were \$157,650 and \$143,338 for the years ended June 30, 2019 and 2018, respectively. Of this, \$55,177 and \$48,656 has been allocated to fundraising and \$102,473 and \$94,682 has been allocated to program services for the years ended June 30, 2019 and 2018, respectively.

Note 9 - **Retirement Plan**

The Organization maintains a 401(k) plan covering all eligible employees. Employer contributions for the years ended June 30, 2019 and 2018, totaled \$69,449 and \$68,541, respectively.

**INFACT**  
**(d/b/a CORPORATE ACCOUNTABILITY)**

**Notes to the Financial Statements - Continued**

**June 30, 2019 and 2018**

Note 10 - **Risks and Uncertainties**

*Cash and equivalents*

The Organization periodically maintains cash balances in excess of the Federal Deposit Insurance Corporation (“FDIC”) insurable limits. Management monitors the financial condition of banking institutions, along with its cash balances, to keep this potential risk to a minimum. At June 30, 2019 and 2018, uninsured cash balances in excess of FDIC insurable limits were approximately \$1,741,000 and \$855,000, respectively.

Note 11 - **Availability and Liquidity**

The following represents the Organization's financial assets available to meet general expenditures within one year at June 30,:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and equivalents	\$ 2,697,470	\$1,845,083
Investments, short-term	<u>350,000</u>	<u>410,000</u>
	<b>3,047,470</b>	<b>2,255,083</b>
Less: amounts not available to be used within one year:		
Net assets with donor restrictions	<u>712,246</u>	<u>1,081,649</u>
Financial assets available to meet general expenditures within one year:	<u>\$ 2,335,224</u>	<u>\$1,173,434</u>

The Organization reviews its cash position on a regular basis to ensure that adequate funds are on hand to meet expenses. To help manage unanticipated liquidity needs, Corporate Accountability has a line of credit (see Note 4) which allows borrowings up to \$600,000. At June 30, 2019 and 2018, management believes that the Organization has no liquidity issues.

**INFACT**  
**(d/b/a CORPORATE ACCOUNTABILITY)**

**Notes to the Financial Statements - Continued**

**June 30, 2019 and 2018**

Note 12 - **Management Acceptance of Financial Statements**

Management has evaluated subsequent events through October 10, 2019, the date for which the financial statements were available for issuance. Management has accepted the financial statements and did not identify any events subsequent to June 30, 2019 requiring disclosure in the financial statements.