

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

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**FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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

**Financial Statements**  
**June 30, 2022 and 2021**

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

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of INFACT (d/b/a Corporate Accountability) (a not-for-profit organization incorporated in Minnesota) (the "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, 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.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



**Certified Public Accountants  
Braintree, Massachusetts**

September 27, 2022

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

**Statements of Financial Position**

**June 30,**

**Assets**

	<u>2022</u>	<u>2021</u>
<b>Current Assets:</b>		
Cash and equivalents	\$ 7,875,378	\$ 6,589,503
Pledges receivable, current	<u>30,000</u>	<u>30,000</u>
<b>Total Current Assets</b>	<u>7,905,378</u>	<u>6,619,503</u>
<b>Property and Equipment, net</b>	14,076	37,932
<b>Other Asset:</b>		
Pledges receivable, net of current portion	<u>-</u>	<u>141,207</u>
<b>Total Assets</b>	<u>\$ 7,919,454</u>	<u>\$ 6,798,642</u>

**Liabilities and Net Assets**

<b>Current Liabilities:</b>		
Accounts payable	\$ 298,271	\$ 76,260
Accrued expenses	10,000	10,000
Accrued vacation	266,747	130,089
Paycheck Protection Program Loan	<u>150,984</u>	<u>289,466</u>
<b>Total Current Liabilities</b>	<u>726,002</u>	<u>505,815</u>
<b>Non-current Liabilities:</b>		
Paycheck Protection Program Loan, net of current portion	436,370	1,111,034
Deferred rent	<u>217,977</u>	<u>245,545</u>
<b>Total Non-current Liabilities</b>	<u>654,347</u>	<u>1,356,579</u>
<b>Total Liabilities</b>	<u>1,380,349</u>	<u>1,862,394</u>
<b>Net Assets:</b>		
Without donor restrictions	5,944,154	4,198,613
With donor restrictions	<u>594,951</u>	<u>737,635</u>
<b>Total Net Assets</b>	<u>6,539,105</u>	<u>4,936,248</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 7,919,454</u>	<u>\$ 6,798,642</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,**

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenues:</b>			
Contributions of financial assets	\$ 8,584,910	\$ 450,495	\$ 9,035,405
Other income	49,884	-	49,884
Released from restriction	<u>593,179</u>	<u>(593,179)</u>	<u>-</u>
<b>Total Revenues</b>	<u>9,227,973</u>	<u>(142,684)</u>	<u>9,085,289</u>
<b>Expenses:</b>			
Program services	7,514,003	-	7,514,003
Management and general	394,977	-	394,977
Fundraising	<u>374,087</u>	<u>-</u>	<u>374,087</u>
<b>Total Expenses</b>	<u>8,283,067</u>	<u>-</u>	<u>8,283,067</u>
<b>Non-Operating Revenue:</b>			
Forgiveness of Paycheck Protection Program loan	<u>800,635</u>	<u>-</u>	<u>800,635</u>
<b>Changes in Net Assets</b>	1,745,541	(142,684)	1,602,857
Net Assets, Beginning of Year	<u>4,198,613</u>	<u>737,635</u>	<u>4,936,248</u>
<b>Net Assets, End of Year</b>	<u>\$ 5,944,154</u>	<u>\$ 594,951</u>	<u>\$ 6,539,105</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,**

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues:</b>			
Contributions of financial assets	\$ 7,391,110	\$ 349,852	\$ 7,740,962
Other income	2,551	-	2,551
Released from restriction	<u>286,890</u>	<u>(286,890)</u>	<u>-</u>
<b>Total Revenues</b>	<u>7,680,551</u>	<u>62,962</u>	<u>7,743,513</u>
<b>Expenses:</b>			
Program services	6,629,509	-	6,629,509
Management and general	303,242	-	303,242
Fundraising	<u>376,995</u>	<u>-</u>	<u>376,995</u>
<b>Total Expenses</b>	<u>7,309,746</u>	<u>-</u>	<u>7,309,746</u>
<b>Non-Operating Revenue:</b>			
Forgiveness of Paycheck Protection Program loan	<u>1,400,500</u>	<u>-</u>	<u>1,400,500</u>
<b>Changes in Net Assets</b>	1,771,305	62,962	1,834,267
Net Assets, Beginning of Year	<u>2,427,308</u>	<u>674,673</u>	<u>3,101,981</u>
<b>Net Assets, End of Year</b>	<u>\$ 4,198,613</u>	<u>\$ 737,635</u>	<u>\$ 4,936,248</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>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 1,602,857	\$ 1,834,267
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Forgiveness of Paycheck Protection Program loan	(800,635)	(1,400,500)
Depreciation	23,856	24,759
Bad debt	111,538	-
Changes in assets and liabilities:		
Pledges receivable	29,669	58,554
Accounts payable and accrued expenses	222,011	(43,875)
Accrued vacation	136,658	26,629
Deferred rent	<u>(27,568)</u>	<u>(12,961)</u>
Net Adjustments	<u>(304,471)</u>	<u>(1,347,394)</u>
Net Cash Provided by Operating Activities	<u>1,298,386</u>	<u>486,873</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Paycheck Protection Program	-	1,400,500
Payments on Paycheck Protection Program loan	(12,511)	-
Payments on note payable	<u>-</u>	<u>(2,228)</u>
Net Cash Applied to (Provided by) Financing Activities	<u>(12,511)</u>	<u>1,398,272</u>
<b>Net Increase in Cash and Equivalents</b>	<b>1,285,875</b>	<b>1,885,145</b>
Cash and Equivalents, Beginning of Year	<u>6,589,503</u>	<u>4,704,358</u>
<b>Cash and Equivalents, End of Year</b>	<b><u>\$ 7,875,378</u></b>	<b><u>\$ 6,589,503</u></b>

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

**INFACT**  
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**Statement of Functional Expenses**

**For the Year Ended June 30,**

	2022			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 4,363,392	\$ 254,822	\$ 265,340	\$ 4,883,554
Payroll taxes	<u>241,899</u>	<u>15,337</u>	<u>14,561</u>	<u>271,797</u>
<b>Subtotal</b>	<b>4,605,291</b>	<b>270,159</b>	<b>279,901</b>	<b>5,155,351</b>
Advertising	8,125	-	-	8,125
Bad debt	111,538	-	-	111,538
Bank and credit card charges	-	67,366	-	67,366
Conferences and trainings	112,080	-	5,201	117,281
Consultants and contract services	713,136	13,666	57,078	783,880
Depreciation	-	23,856	-	23,856
Equipment and maintenance	18,385	-	-	18,385
Grants	820,818	-	-	820,818
Insurance	18,637	-	-	18,637
Legal fees	7,605	-	-	7,605
Media and education	376,218	-	-	376,218
Meetings and events	7,053	157	2,416	9,626
Postage and shipping	12,189	92	123	12,404
Printing and copying	92	-	-	92
Publications and membership dues	15,469	121	3,058	18,648
Rent	582,884	18,290	24,387	625,561
State registration fees	10,451	-	-	10,451
Supplies	3,391	80	105	3,576
Telephone and internet	31,453	936	1,248	33,637
Travel	51,309	-	231	51,540
Utilities	<u>7,879</u>	<u>254</u>	<u>339</u>	<u>8,472</u>
<b>Total</b>	<b><u>\$ 7,514,003</u></b>	<b><u>\$ 394,977</u></b>	<b><u>\$ 374,087</u></b>	<b><u>\$ 8,283,067</u></b>

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

**INFACT**  
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**Statement of Functional Expenses**

**For the Year Ended June 30,**

	2021			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 4,016,108	\$ 183,735	\$ 269,245	\$ 4,469,088
Payroll taxes	<u>267,561</u>	<u>16,007</u>	<u>19,642</u>	<u>303,210</u>
<b>Subtotal</b>	4,283,669	199,742	288,887	4,772,298
Advertising	6,310	-	-	6,310
Bank and credit card charges	-	58,149	-	58,149
Conferences and trainings	71,115	-	525	71,640
Consultants and contract services	535,853	186	50,476	586,515
Depreciation	-	24,759	-	24,759
Equipment and maintenance	17,620	8	11	17,639
Grants	616,845	-	-	616,845
Insurance	15,839	-	-	15,839
Legal fees	27,447	-	-	27,447
Media and education	299,434	-	-	299,434
Meetings and events	42,630	331	5,374	48,335
Postage and shipping	11,682	107	143	11,932
Printing and copying	645	-	-	645
Publications and membership dues	17,235	20	2,523	19,778
Rent	578,696	18,472	24,629	621,797
State registration fees	4,039	-	-	4,039
Supplies	7,525	78	104	7,707
Telephone and internet	82,667	1,146	1,719	85,532
Travel	2,295	-	2,278	4,573
Utilities	<u>7,963</u>	<u>244</u>	<u>326</u>	<u>8,533</u>
<b>Total</b>	<u>\$ 6,629,509</u>	<u>\$ 303,242</u>	<u>\$ 376,995</u>	<u>\$ 7,309,746</u>

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

# INFACT (d/b/a CORPORATE ACCOUNTABILITY)

## Notes to the Financial Statements

June 30, 2022 and 2021

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

INFACT, doing business as Corporate Accountability (the “Organization”), is a not-for-profit organization incorporated in Minnesota, 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 North America.

In March 2020, due to the COVID-19 outbreak, the World Health Organization declared a pandemic and many areas that the Organization operates have declared a state of emergency

*Basis of Presentation*

The accompanying financial statements have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”), 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 the Organization's management and board of directors.

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.

*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. Nonoperating activities are limited to resources that generate returns from investments and other activities considered to be of a more unusual or nonrecurring nature.

# INFACT (d/b/a CORPORATE ACCOUNTABILITY)

## Notes to the Financial Statements - Continued

June 30, 2022 and 2021

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

*Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP 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.

*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, 2022 and 2021, management has confidence that all pledges receivable will be fulfilled.

*Property and Equipment*

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to seven years. The Organization's policy is to capitalize property and equipment acquired and expense normal repairs and maintenance as incurred. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

# INFACT (d/b/a CORPORATE ACCOUNTABILITY)

## Notes to the Financial Statements - Continued

June 30, 2022 and 2021

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

*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. As a not-for-profit entity exempt from income taxes, the Organization may, however, be subject to tax on unrelated business income.

U.S. GAAP requires an entity to assess the probability that a tax position has a “more likely than not” 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.

*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.

*Compensated Absences*

Eligible employees accrue vacation time for each month they work. Upon termination, the employees are entitled to receive payment of their unused balance.

*Contributions*

Contributions are recognized as revenue when they are unconditional, usually when qualifying expenditures are incurred and other conditions under the agreement are met. In addition to conditions under the agreement, contributions are also classified as conditional if there is a barrier that must be overcome before the recipient is entitled to the asset transferred and the donor has the right to request the asset back if it is not used properly.

**INFACT**  
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**Notes to the Financial Statements - Continued**

**June 30, 2022 and 2021**

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

*Contributions - continued*

Unconditional contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. Contributions with donor-imposed stipulations regarding the purpose and how long the contributed assets must be used are recorded as net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation.

*Advertising*

The Organization charges the cost of advertising to expense as incurred. For the years ended June 30, 2022 and 2021, advertising costs amounted to \$8,125 and \$6,310, 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.

*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.

The carrying amounts of certain financial instruments, including cash and equivalents and pledges receivable, approximate fair value as of June 30, 2022, because of the relatively short maturity of these instruments.

# INFACT

## (d/b/a CORPORATE ACCOUNTABILITY)

### Notes to the Financial Statements - Continued

**June 30, 2022 and 2021**

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

*Adoption of New Accounting Pronouncement*

The Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-07, *Not-for-Profit Entities: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This pronouncement requires not-for-profit entities to present contributed non-financial assets in the statement of activities as a line that is separate from other contributions and provide additional disclosure information related to these items. The Organization adopted the provisions of ASU 2020-07 on a retrospective basis as of July 1, 2020.

*New Accounting Pronouncement*

FASB issued ASU 2016-02, *Leases*, which is effective for periods beginning after December 15, 2021. The purpose of this pronouncement will require lessees to recognize on their 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.

Management is in the process of evaluating this pronouncement and has not yet determined its impact on the financial statements.

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>2022</u>	<u>2021</u>
Less than one year	\$ 30,000	\$ 30,000
Between one and five years	<u>          -</u>	<u>150,000</u>
	<b>30,000</b>	180,000
Less: discount at 0.66%	<u>          -</u>	<u>(8,793)</u>
Total pledges receivable, net	<u><b>\$ 30,000</b></u>	<u><b>\$ 171,207</b></u>

**INFACT**  
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**Notes to the Financial Statements - Continued**

**June 30, 2022 and 2021**

Note 3 - **Property and Equipment**

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

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 36,328	\$ 169,958
Furniture and equipment	<u>142,598</u>	<u>355,917</u>
	178,926	525,875
Less: accumulated depreciation	<u>(164,850)</u>	<u>(487,943)</u>
Property and equipment, net	<u>\$ 14,076</u>	<u>\$ 37,932</u>

Note 4 - **Paycheck Protection Program Loan**

In April 2021 and 2020, the Organization received Paycheck Protection Program (“PPP”) loans from the Federal Government each in the amount of \$1,400,500. The loans will be forgiven based upon the Organization using the proceeds on eligible expenses over a twenty-four-week period from the time that the loan is obtained. Eligible expenses include payroll and related benefits, utilities, and rent. In June 2021, the Small Business Administration (the “SBA”), acting on behalf of the Federal Government, forgave the entire first loan. In April 2022, the SBA only forgave \$800,635 of the second PPP loan. As a result, the remaining \$599,865 became a four-year term loan with an interest rate of 1% per year. As of June 30, 2022, the amount outstanding was \$587,354.

Maturities of the PPP loan subsequent to June 30, 2022 are as follows:

2023	\$	150,984
2024		152,512
2025		154,075
2026		<u>129,783</u>
		<u>\$ 587,354</u>

**INFACT**  
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**Notes to the Financial Statements - Continued**

**June 30, 2022 and 2021**

Note 5 - **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. The Organization renewed this agreement with the bank during the year. There was no balance outstanding at June 30, 2022 and 2021.

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, 2022 and 2021, the Organization released \$451,641 and \$228,336, 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, 2022 and 2021, the Organization released \$141,538 and \$58,554, respectively, of net assets with donor restrictions related to program support.

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 has a second lease in Berkeley, California, which has annual rent increases concluding in December 2024. The Organization's additional office spaces are all tenant-at-will arrangements. Rent expense for the years ended June 30, 2022 and 2021 amounted to \$625,561 and \$621,797, respectively.

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**Notes to the Financial Statements - Continued**

**June 30, 2022 and 2021**

Note 7 - **Leasing Activities - Continued**

Future minimum lease payments subsequent to June 30, 2022 are as follows:

Years Ending <u>June 30,</u>	
2023	\$ 618,495
2024	627,640
2025	636,622
2026	<u>377,348</u>
Total	<u>\$ 2,260,105</u>

Note 8 - **Retirement Plan**

The Organization maintains a 401(k) plan covering all eligible employees. Employer contributions for the years ended June 30, 2022 and 2021 totaled \$79,946 and \$73,322, respectively.

Note 9 - **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, 2022, uninsured cash balances in excess of FDIC insurable limits was approximately \$6,804,000.

*Uncertainties*

The COVID-19 crisis as discussed in Note 1 is ongoing. Management cannot reasonably estimate the duration or impact on finances and operations.

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

**Notes to the Financial Statements - Continued**

**June 30, 2022 and 2021**

Note 10 - **Availability and Liquidity**

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

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and equivalents	\$ 7,875,378	\$ 6,589,503
Pledge receivables, short-term	<u>30,000</u>	<u>30,000</u>
	7,905,378	6,619,503
Less: amounts not available to be used within one year:		
Net assets with donor restrictions	<u>594,951</u>	<u>737,635</u>
Add back: donor restricted net assets included as a non-current asset	<u>-</u>	<u>141,207</u>
Financial assets available to meet general expenditures within one year	<u>\$ 7,310,427</u>	<u>\$ 6,023,075</u>

The Organization reviews its cash position on a regular basis to ensure that adequate funds are on hand to meet expenses. If funds are needed for expenses, management can draw down the on the line of credit (see Note 5), which allows borrowing up to \$600,000. At June 30, 2022 and 2021, management believes that the Organization has no liquidity issues.

Note 11 - **Management Acceptance of Financial Statements**

Management has evaluated subsequent events through September 27, 2022, 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, 2022 requiring disclosure in these financial statements.