ACCOUNTABILITY COUNSEL
(A NONPROFIT PUBLIC BENEFIT CORPORATION)

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

HEALY AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

January 7, 2026

Board of Directors
Accountability Counsel
San Francisco, California

Opinion

I have audited the accompanying financial statements of Accountability Counsel (a nonprofit public benefit corporation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Accountability Counsel as of June 30, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Accountability Counsel and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management 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 Accountability Counsel 's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 auditor's report that includes my 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 will always detect a material misstatement when it exists.

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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, including omissions, 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, I:

- 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 Accountability Counsel'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Accountability Counsel's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Healy and Associates

Healy and Associates
Concord, California

ACCOUNTABILITY COUNSEL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 1,190,479
Investments	502,045
Grants receivable, current portion	791,500
Prepaid expenses	96,272
Total current assets	2,580,296
Grants receivable, long-term portion, net	371,930
Right-of-use asset	103,024
Security deposits	9,687
Fixed assets, net	-
Intangible assets, net	-
TOTAL ASSETS	$ 3,064,937
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	$ 175,406
Accrued PTO payable	191,980
Accrued payroll payable	5,973
Accrued payroll taxes and withholdings payable	3,489
Accrued sabbatical leave	199,944
Lease liability, current portion	67,944
Total current liabilities	644,736
Lease liability, long-term portion	35,603
TOTAL LIABILITIES	680,339
NET ASSETS	
Without donor restrictions	895,368
With donor restrictions	1,489,230
TOTAL NET ASSETS	2,384,598
TOTAL LIABILITIES AND NET ASSETS	$ 3,064,937

See Notes to Financial Statements

ACCOUNTABILITY COUNSEL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Foundation grants and awards	$ 113,098	$ 3,052,453	$ 3,165,551
In-kind services	327,055	-	327,055
Individual contributions	64,095	292,956	357,051
Corporate contributions	10,075	-	10,075
Investment income	9,306	-	9,306
Other income	3,242	4,500	7,742
Interest income	50	-	50
	526,921	3,349,909	3,876,830
Net assets released from restriction	3,476,390	(3,476,390)	-
Total revenue and support	4,003,311	(126,481)	3,876,830
Program	2,917,592	-	2,917,592
Supporting services:			
General and administration	606,405	-	606,405
Fundraising	272,763	-	272,763
Total expenses	3,796,760	-	3,796,760
	206,551	(126,481)	80,070
	688,817	1,615,711	2,304,528
	$ 895,368	$ 1,489,230	$ 2,384,598

ACCOUNTABILITY COUNSEL
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 80,070
Adjustments to reconcile change in net assets to cash used by operating activities:	
Realized and unrealized net gain on investments	(9,306)
CHANGES IN ASSETS AND LIABILITIES:	
Grants receivable	(438,430)
Prepaid expenses	(565)
Security deposits	(750)
Right-of-use asset	(60,650)
Accounts payable and accrued expenses	21,943
Accrued payroll and related withholdings and taxes	46,671
Accrued sabbatical payable	26,231
Lease liability	60,271
NET CASH USED BY OPERATING ACTIVITIES	(274,515)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments	(129,583)
NET CASH USED BY INVESTING ACTIVITIES	(129,583)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(404,098)
CASH AND CASH EQUIVALENTS, beginning of year	1,594,577
CASH AND CASH EQUIVALENTS, end of year	$ 1,190,479
SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTIONS:	
Right-of-use asset	$ 135,980
Operating lease liability for right-of-use asset	$ 135,980

NOTE A – NATURE OF ACTIVITIES

Accountability Counsel (Organization) is a California nonprofit public benefit corporation, founded in 2009 under fiscal sponsorship and incorporated in 2014, with its principal office in San Francisco, California. The Organization's mission is to amplify the voices of communities around the world to protect their human rights and environment. As advocates for people harmed by internationally financed projects, the Organization employs community driven and policy level strategies to access justice.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method and Basis of Presentation

The accounting records of the Organization are maintained on the accrual basis of accounting. The financial statements of the Organization have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, 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 expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

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

Donor 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 assets without donor restrictions in the statements of activities.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments, if any, with maturity dates of three months or less, which are neither held for nor restricted by donors for long term purposes. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable

Grants receivable at June 30, 2025, consist of amounts due from promises to give. The Organization evaluates the collectability of its receivables on an ongoing basis and records a provision for potential uncollectible receivables when appropriate. Management did not consider an allowance for doubtful accounts necessary as of June 30, 2025.

Fair Value Measurements

The Organization's financial instruments include cash, cash equivalents, and investments measured using Level 1 and Level 2 inputs. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

- **Level 1**— Quoted prices for identical assets in active markets.
- **Level 2**—Observable inputs other than Level 1, which include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.
- **Level 3**— Unobservable inputs that cannot be corroborated by observable market data.

Fixed Assets

Fixed asset additions, in excess of $5,000, are recorded at cost, or if donated, at fair value on the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred.

Intangible Assets

Intangible asset additions, in excess of $5,000, are recorded at cost, or if donated, at fair value on the date of donation, less accumulated amortization. Amortization is computed using the straight-line method over the estimated useful lives of the related assets.

Donated Services and In-kind Contributions

Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. For the year ended June 30, 2025, the Organization recognized $327,055 in donated professional services. The amounts are reflected in the accompanying statement of activities.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition
The Organization is supported primarily through foundation grants and contributions.

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

Newly Adopted Accounting Principle
Effective July 1, 2024, the Organization adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and related amendments ("CECL"). The standard replaces the incurred loss model with an expected credit loss model, which requires recognition of an allowance for lifetime expected losses on financial assets measured at amortized cost.

Adoption and Practical Expedients
In adopting CECL, the Organization implemented its Credit Loss Policy consistent with ASC 326 and applicable nonprofit guidance. The Organization elected the following practical expedients and accounting policy elections:

1. Practical Expedient for Short-Term Receivables – The Organization assumes that economic conditions at the balance sheet date will remain unchanged for the short remaining life of its receivables, thereby eliminating the need to forecast future macroeconomic variables (ASC 326-20-30-10C and 30-10D).
2. Accounting Policy Election for Post-Balance-Sheet Collections – The Organization considers actual cash collections received between the balance sheet date and the date the financial statements are available to be issued (or another selected cut-off date). Receivables collected during this period are excluded from the allowance for credit losses (ASC 326-20-30-10E through 30-10H).
3. Pooling and Qualitative Approach – For uncollected receivables remaining after the cut-off date, the Organization evaluates expected credit losses collectively using historical experience adjusted for current conditions and known specific risks when applicable.

Effect of Adoption
The adoption of CECL did not result in a cumulative-effect adjustment to beginning net assets and did not have a material impact on the Organization's financial position or results of operations. The Organization has disclosed its election of both the practical expedient and post-balance-sheet collection accounting policy election in accordance with ASC 326-20-50-12A and 50-12B.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Exemption Status

The Organization has received tax exempt status under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the State of California Revenue and Taxation Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS along with related state filings. The related tax returns are subject to examination by federal and state taxing authorities generally for three years after they are filed. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NOTE C – CONCENTRATIONS

Total cash and cash equivalents held by the Organization at June 30, 2025, exceeded the federally insured limits provided from the Federal Deposit Insurance Corporation (FDIC) by $1,445,274.

The Organization derived a significant portion (45%) of its revenue from two donors (34% and 11%). In addition, three donors accounted for 66% of the Organization’s accounts receivable (25%, 25%, and 16%). Any loss of those funds could have an impact on the Organization’s ability to provide services.

NOTE D – GRANTS RECEIVABLE

Grants receivable at June 30, 2025 are expected to be collected as follows:

Due within one year	$ 791,500
Due within two years	400,000
Less: present value discount (3.68%-3.72%)	(28,070)
Total grants receivable	$1,163,430

NOTE E – INVESTMENTS

Investment composition and activity as of and for the year ended June 30, 2025 are as follows:

Certificate of deposit (Level 2) – maturing in fiscal year ended June 30, 2026	$ 502,045
Total investments	$ 502,045

Ending balance, June 30, 2024	$ 363,156
Additions, net of withdrawals	129,583
Interest earned	9,306
Ending balance, June 30, 2025	$ 502,045

NOTE F – FIXED ASSETS

Fixed assets at June 30, 2025 are comprised of the following:

Office equipment	$ 514
Less: Accumulated depreciation	(514)
Total fixed assets, net	$ -

Depreciation expense is $0 for the year ended June 30, 2025.

NOTE G – INTANGIBLE ASSETS

Intangible assets at June 30, 2025 are comprised of the following:

Website redesign	$ 27,008
Less: Accumulated amortization	(27,008)
Total intangible assets, net	$ -

Amortization expense is $0 for the year ended June 30, 2025.

NOTE H – EMPLOYEE BENEFITS

The Organization's employees are entitled to paid time off. The amount of paid time off liability at June 30, 2025 is $191,980 and is reflected in the accompanying financial statements. In addition, the Organization offers sabbatical to eligible full-time employees. The total amount accrued for sabbatical leave is $199,944, as reflected in the accompanying statement of financial position.

The Organization offers a deferred compensation plan to employees who meet the criteria. The Organization matches employee contributions up to 4% of the employee's annual salary per employee per year. The total contributions made by the employer for the year ended June 30, 2025 is $48,637.

NOTE I – IN-KIND DONATIONS

For the year ended June 30, 2025, in-kind donations were received and used as follows:

In-kind Services Received	Valuation Technique	Allocation	Total Received
Pro bono legal services	FMV of services as stated by donor	Administrative	$ 273,772
Fellowship	FMV of services as stated by donor	Program	43,333
Travel costs	FMV of services as stated by donor	Program	7,450
Audit services	FMV of services as stated by donor	Administrative	2,500
Total in-kind services			$ 327,055

NOTE J – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	$ 1,190,479
Investments	502,045
Grants receivable	791,500
Total financial assets	2,484,024
Less:	
Net assets with purpose restrictions to be met in one year	(1,117,300)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,366,724

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements, if available, in short-term investments.

NOTE K – NET ASSETS WITH DONOR RESTRICTIONS

For the year ended June 30, 2025, net assets with donor restrictions had the following activity:

Nature of Restriction	Beginning Balance	Income and Contribution	Released from Restriction	Ending Balance
Time	$1,123,333	$1,465,409	($1,454,203)	$1,134,539
General operations	452,821	565,000	(804,571)	213,250
Specific purpose:				
Communities program	3,710	-	(3,710)	-
Policy program	6,525	-	(6,525)	-
Fellowship	29,322	4,500	(30,181)	3,641
Institutional Strengthening	-	1,315,000	(1,177,200)	137,800
Total	$1,615,711	$3,349,909	($3,476,390)	$1,489,230

NOTE L – LEASES

The Organization adopted FASB Accounting Standards Update (ASU) No. 2016-02, ASC 842, Leases, which requires the recognition of a right-of-use asset and a lease liability based on the present value of the remaining lease payments. The Organization elected the 'package of practical expedients', which permitted the Organization not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs; and all of the new standard's available transition practical expedients. In addition, the Organization adopted the practical expedients of using the risk-free interest rate and the short-term lease definition.

NOTE L – LEASES (Continued)

The Organization leases office space, under a noncancellable lease, in San Francisco, California in a lease which runs through December 2026 at a rate of approximately $6,000 per month.

The Organization leases office space in Nairobi, Kenya at a rate of approximately $1,500 per month through February 2026. The Organization subleases space in Washington, D.C. at a rate of approximately $5,000 per month through August 2026.

The client used a rate of 3.51%-4.25% to determine present value. Right-of-use assets were $103,024 and lease liabilities were $103,547 as of June 30, 2025. The weighted-average discount rate used to calculate the present value of future minimum lease payments was the risk-free interest rate of 4.25%. The weighted-average lease term was 1.50 years at June 30, 2025.

Lease expense consists of the following for the year ended June 30, 2025:

Operating lease expense	$ 78,101
Short term lease expense	88,929
Total lease expense	$ 167,030

The total cash amount paid for operating leases was $78,480 for the year ended June 30, 2025, with a non-cash component of ($379).

Future minimum payments as of June 30 is as follows:

	Operating Leases	Short term Leases
2026	$ 70,806	$ 47,050
2027	35,926	5,000
Total minimum lease payments	106,732	52,050
Less: net present value	(3,185)	-
Present value of minimum lease payments	$ 103,547	$ 52,050

NOTE M – FOREIGN OPERATIONS

The Organization has program operations in Asia and Africa. The financial activities are transacted in the US Dollar. During the year ended June 30, 2025, the Organization had expenses of approximately $309,933 and $323,301, respectively, in those regions for a total spent abroad of approximately $633,234.

NOTE N – RELATED PARTIES

A member of the Board of Directors is an attorney with the law firm the Organization received donated legal services from during the year ended June 30, 2025. In addition, the Executive Director is a voting member of the Board of Directors.

NOTE O – FUNCTIONAL EXPENSES

The costs of program activities and supporting services have been summarized on a functional basis in the table below. The table presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs such as general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Organization. Such expenses which are common to multiple functions have been allocated among the various functions benefited based on employee time spent in the functional area. The table below presents expenses by both their nature and their function for the year ended June 30, 2025:

	Program	General and Administration	Fundraising	Total
Personnel				
Salaries and wages	$1,023,106	$192,455	$146,209	$1,361,770
Employee benefits	146,714	21,579	27,305	195,598
Payroll taxes	76,375	14,489	11,008	101,872
PEO wages, benefits, and taxes	976,021	7,929	7,633	991,583
Total personnel	2,222,216	236,452	192,155	2,650,823
Operations				
In-kind services	50,783	276,272	-	327,055
Travel	195,136	3,960	12,000	211,096
Other professional services	132,215	3,840	43,357	179,412
Occupancy	141,882	9,395	15,917	167,194
Accounting	-	66,940	-	66,940
Communication and IT	47,054	5,508	3,625	56,187
Partner expenses	38,090	-	-	38,090
Consultants and contractors	30,310	-	-	30,310
Office expenses	15,819	1,036	1,134	17,989
Insurance	10,089	1,587	1,211	12,887
Bank charges, taxes, and other fees	10,117	1,191	889	12,197
Conferences, conventions, and meetings	7,910	-	1,950	9,860
Volunteer support	9,759	-	-	9,759
Computer hardware	5,011	94	9	5,114
Event expenses	1,201	15	146	1,362
Other expenses	-	115	370	485
Total operating	695,376	369,953	80,608	1,145,937
TOTAL EXPENSES	$2,917,592	$606,405	$272,763	$3,796,760

NOTE P – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for recognition and disclosure through January 7, 2026, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2025, that required recognition or disclosure in the financial statements.