

**DRESSEMBER FOUNDATION**

Financial Statements

Year Ended March 31, 2019

**DRESSEMBER FOUNDATION**

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**BEESON, HOFFMAN & SIDDALL, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

Harry C. Beeson, CPA  
Gordon P. Hoffman, CPA  
Mark S. Siddall, CPA  
Jonathan D. DeSpain, CPA

500 North Central Avenue  
Suite 325  
Glendale, California 91203  
(818) 240-8322  
Fax (818) 240-0520  
www.bhscpa.com

**Independent Auditor's Report**

July 1, 2019

Board of Directors  
Dresser Foundation  
Los Angeles, CA

We have audited the accompanying financial statements of Dresser Foundation (a nonprofit organization), which comprise the statement of financial position as of March 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's 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 Dressemer Foundation as of March 31, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Beeson, Hoffman + Siddall*

**DRESSEMBER FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2019**

**ASSETS**

Cash	\$ 560,928
Contributions receivable	7,222
Prepays	27,125
Inventory	12,450
Property and equipment, net	1,931
Deposits	<u>1,528</u>
<b>Total Assets</b>	<b>\$ <u>611,184</u></b>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 41,203
Grants payable	140,000
Deferred revenue	<u>8,447</u>
<b>Total liabilities</b>	<b><u>189,650</u></b>
<b>Net assets without donor restrictions</b>	<b><u>421,534</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>611,184</u></b>

See Accompanying Notes

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**DRESSEMBER FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2019**

	<u>Without Donor Restrictions</u>
<b>Revenues</b>	
Contributions	\$ 2,499,308
Events	37,946
Sales	67,743
Other income	<u>14,685</u>
Total Revenues	<u>2,619,682</u>
<b>Expenses</b>	
Program	2,076,401
Support: general & administrative	120,160
Fundraising	<u>343,543</u>
Total Expenses	<u>2,540,104</u>
<b>Change in Net Assets</b>	79,578
<b>Net Assets - March 31, 2018</b>	<u>341,956</u>
<b>Net Assets - March 31, 2019</b>	<u>\$ 421,534</u>

See Accompanying Notes

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**DRESSEMBER FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2019**

	<u>Program</u>	<u>Support: General &amp; Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Cash awards & grants	\$ 1,955,000	\$ -	\$ -	\$ 1,955,000
Cost of goods sold	24,476	-	16,065	40,541
Contract services	27,773	69,800	76,245	173,818
Events	4,517	-	31,591	36,108
Operations	4,747	7,910	34,196	46,853
Payroll	46,053	30,788	113,508	190,349
Travel & meetings	13,835	4,767	4,815	23,417
Other	-	6,895	67,123	74,018
	<u>\$ 2,076,401</u>	<u>\$ 120,160</u>	<u>\$ 343,543</u>	<u>\$ 2,540,104</u>

See Accompanying Notes

**DRESSEMBER FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2019**

**Operating Activities**

Change in net assets	\$ 79,578
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	1,049
Sources and (uses) of cash from changes in operating assets and liabilities:	
Accounts receivable	7,553
Contributions receivable	(7,222)
Prepays	(11,841)
Inventory	(9,812)
Deposits	(1,528)
Accounts payable and accrued expenses	15,194
Grants payable	140,000
Deferred revenue	6,202
	219,173
<b>Net Cash Provided by Operating Activities</b>	<b>219,173</b>
<b>Investing Activities</b>	
Expenditures for property and equipment	(2,428)
	(2,428)
<b>Net Cash Used by Investing Activities</b>	<b>(2,428)</b>
<b>Net Change in Cash</b>	<b>216,745</b>
<b>Beginning Cash</b>	<b>344,183</b>
	<b>560,928</b>
<b>Ending Cash</b>	<b>\$ 560,928</b>

See Accompanying Notes



**DRESSEMBER FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2019**

**1. Nature of the Organization**

DresseMBER Foundation was incorporated in February 2014 in California as a not-for-profit public charity exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Contributions made by the public are deductible for income tax purposes.

DresseMBER Foundation's vision is a world without slavery where all people are free to live vibrant, autonomous lives, and the primary mission is to equip a community of people to advocate for the dignity of all people, leading to the protection and freedom of millions.

**2. Summary of Significant Accounting Policies**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The statements include a statement of financial position that presents the amount of net assets as either with restrictions or without restrictions based on the existence or absence of donor-imposed restrictions, a statement of activities that reflects the change in those categories of net assets, and a statement of functional expenses that shows the detailed nature of the expenses.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash on deposit. The carrying values of cash and cash equivalents approximate their fair values because of the short maturities of those financial instruments.

Donated Services

No amounts have been reflected in the financial statements for donated services. During the year ended March 31, 2019, approximately 7,800 individuals participated in the fundraising campaign and helped at fundraising events. However, these services do not meet the criteria for recognition in the financial statements, and so their value is not recorded.

Inventory

Inventory is valued at cost on a first-in, first-out basis and consists of promotional items and DresseMBER Dresses.

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 that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**DRESSEMBER FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2019**

**2. Summary of Significant Accounting Policies (continued)**

Income Tax Status

The Organization files information returns with federal and state governments. The returns are subject to examination by the relevant authorities under the prescribed statutes of limitation.

Net Assets

The financial statements report amounts by classification of net assets as follows:

*Net assets without donor restrictions* are those currently available for purposes under the direction of the board, designated by the board and resources invested in property and equipment.

*Net assets with donor restrictions* are contributed with donor stipulations for specific operating purposes or programs. As of March 31, 2019, the Organization had no net assets with donor restrictions.

Support, Revenue and Reclassifications

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to the Organization. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met. Donated property (including securities, real property and equipment) is recorded at estimated fair value on the date of the gift.

The Organization receives gifts of cash and other assets as “support with donor restrictions” if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Expenses

All expenses are stated on the accrual basis and presented on both a program area basis and a functional basis. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include contract services and payroll, which are allocated on the basis of estimates of time and effort, as well as rent which is allocated using the same apportionment as payroll.

**DRESSEMBER FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2019**

**2. Summary of Significant Accounting Policies (continued)**

Property and Equipment

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to ten years.

The Organization reviews the carrying value of its property and equipment for impairment whenever events or changes in circumstances indicate the net carrying value may not be recoverable.

Evaluation of Subsequent Events

Management has evaluated the impact of all subsequent events through July 1, 2019, which was the date the financial statements were available to be issued.

Uncertain Tax Positions

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on technical merits, that the position will be sustained upon examination. As of March 31, 2019, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-14, Presentation of Financial Statements of Non-for-Profit Entities (ASU 2016-14). ASU 2016-14 (1) reduces the number of net asset classes presented from three to two; (2) requires the presentation of expenses by functional and natural classification in one location; and (3) requires quantitative and qualitative disclosures about liquidity and availability of financial assets. The ASU is effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The Organization adopted ASU 2016-14 effective January 1, 2018.

**3. Liquidity and Availability**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization's main source of liquidity at its disposal is cash and cash equivalents.

**DRESSEMBER FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2019**

**3. Liquidity and Availability (continued)**

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of operating a nonprofit to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates within an annual budget and anticipates collecting sufficient contributions and program revenues to cover general expenditures.

The following reflects the Organization's financial assets at March 31, 2019, that are available to meet general expenditures over the next 12 months:

Cash and cash equivalents	\$ 560,928
Contributions receivable	<u>7,222</u>
	<u>\$ 568,150</u>

**4. Property and Equipment**

Property and equipment consist of the following:

Office equipment	\$ 3,956
Less accumulated depreciation	<u>(2,025)</u>
	<u>\$ 1,931</u>

Depreciation expense for the year ended March 31, 2019 was \$1,049.