

DRESSEMBER FOUNDATION

Financial Statements

Year Ended March 31, 2020

DRESSEMBER FOUNDATION

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March 31, 2020

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

July 2, 2020

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, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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, 2020, 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, 2020**

ASSETS

Cash	\$ 437,795
Contributions receivable	845
Prepays	27,763
Inventory	19,741
Property and equipment, net	2,227
Deposits	<u>1,614</u>
Total Assets	\$ <u><u>489,985</u></u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ <u>54,277</u>
Total liabilities	<u>54,277</u>
Net assets without donor restrictions	<u>435,708</u>
Total Liabilities and Net Assets	\$ <u><u>489,985</u></u>

See Accompanying Notes

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**DRESSEMBER FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>Without Donor Restrictions</u>
Revenues	
Contributions	\$ 2,473,612
Events	26,247
Sales	76,514
Earned Income	30,613
Other income	<u>12,732</u>
Total Revenues	<u>2,619,718</u>
Expenses	
Program	2,036,904
Support: general & administrative	138,213
Fundraising	<u>430,427</u>
Total Expenses	<u>2,605,544</u>
Change in Net Assets	14,174
Net Assets - March 31, 2019	<u>421,534</u>
Net Assets - March 31, 2020	<u><u>\$ 435,708</u></u>

See Accompanying Notes

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**DRESSEMBER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>Program</u>	<u>Support: General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Cash awards & grants	\$ 1,910,637	\$ -	\$ -	\$ 1,910,637
Cost of goods sold	25,293	-	17,466	42,759
Contract services	13,200	84,406	101,624	199,230
Events	4,524	-	27,721	32,245
Operations	7,189	8,820	44,992	61,001
Payroll	65,737	26,295	170,915	262,947
Travel & meetings	10,324	9,363	13,127	32,814
Other	-	9,329	54,582	63,911
	<u>\$ 2,036,904</u>	<u>\$ 138,213</u>	<u>\$ 430,427</u>	<u>\$ 2,605,544</u>

See Accompanying Notes

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**DRESSEMBER FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020**

Operating Activities

Change in net assets	\$ 14,174
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	919
Sources and (uses) of cash from changes in operating assets and liabilities:	
Accounts receivable	7,222
Contributions receivable	(845)
Prepays	(638)
Inventory	(7,291)
Deposits	(86)
Accounts payable and accrued expenses	13,074
Grants payable	(140,000)
Deferred revenue	(8,447)
	(121,918)
Net Cash Used by Operating Activities	(121,918)
Investing Activities	
Expenditures for property and equipment	(1,215)
	(1,215)
Net Cash Used by Investing Activities	(1,215)
Net Change in Cash	(123,133)
Beginning Cash	560,928
Ending Cash	\$ 437,795

See Accompanying Notes

DRESSEMBER FOUNDATION
Notes to Financial Statements
March 31, 2020

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, 2020, approximately 6,500 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, 2020

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, 2020, 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, 2020

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 2, 2020, 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, 2020, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

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.

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.

DRESSEMBER FOUNDATION
Notes to Financial Statements
March 31, 2020

3. Liquidity and Availability (continued)

The following reflects the Organization's financial assets at March 31, 2020, that are available to meet general expenditures over the next 12 months:

Cash and cash equivalents	\$ 437,795
Contributions receivable	<u>845</u>
	\$ <u><u>438,640</u></u>

4. Property and Equipment

Property and equipment consist of the following:

Office equipment	\$ 5,171
Less accumulated depreciation	<u>(2,944)</u>
	\$ <u><u>2,227</u></u>

Depreciation expense for the year ended March 31, 2020 was \$919.

5. COVID-19

In late 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China and has since spread across the world. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, the state of California, where the Organization is located, has declared a state of emergency. Management cannot reasonably estimate the length or severity of this pandemic, nor the full impact on the statements of financial position, activities, and cash flows for the fiscal year ending March 31, 2021.