

**DRESSEMBER FOUNDATION**

Financial Statements

Year Ended March 31, 2017

**DRESSEMBER FOUNDATION**

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# ROMBERGER, WILSON & BEESON, INC.

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## **Independent Auditor's Report**

June 29, 2017

Board of Directors  
Dresser Foundation  
Pasadena, 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, 2017, and the related statements of activities 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, 2017, 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.

*Romberger, Wilson & Beeson, Inc.*

**DRESSEMBER FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2017**

**ASSETS**

|                             |                          |
|-----------------------------|--------------------------|
| Cash                        | \$ 169,831               |
| Accounts receivable         | 2,690                    |
| Prepays                     | 6,486                    |
| Inventory                   | 2,397                    |
| Property and equipment, net | <u>1,061</u>             |
| <b>Total Assets</b>         | <b>\$ <u>182,465</u></b> |

**LIABILITIES AND NET ASSETS**

|   |                          |
|---|--------------------------|
| Accounts payable and accrued expenses   | \$ <u>13,208</u>         |
| <b>Total liabilities</b>                | <u>13,208</u>            |
| <b>Unrestricted net assets</b>          | <u>169,257</u>           |
| <b>Total Liabilities and Net Assets</b> | <b>\$ <u>182,465</u></b> |

See Accompanying Notes

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**DRESSEMBER FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2017**

|                                    | <u>Unrestricted</u>      |
|------------------------------------|--------------------------|
| <b>Revenues</b>                    |                          |
| Campaign contributions             | \$ 1,489,787             |
| Other contributions                | 12,962                   |
| Sales                              | 13,330                   |
| Other income                       | 143                      |
|                                    | <hr/>                    |
| Total Revenues                     | 1,516,222                |
| <b>Expenses</b>                    |                          |
| Cost of goods sold                 | 3,357                    |
| Grants                             | 1,255,102                |
| Payroll and employee benefits      | 52,998                   |
| Professional services              | 66,987                   |
| Operations                         | 9,573                    |
| Travel                             | 10,012                   |
| Other                              | 58,281                   |
|                                    | <hr/>                    |
| Total Expenses                     | 1,456,310                |
| <b>Change in Net Assets</b>        | 59,912                   |
| <b>Net Assets - March 31, 2016</b> | <hr/> 109,345            |
| <b>Net Assets - March 31, 2017</b> | \$ <u><u>169,257</u></u> |

See Accompanying Notes

**DRESSEMBER FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2017**

**Operating Activities**

|   |              |
|---|--------------|
| Change in net assets  | \$ 59,912    |
| Adjustments to reconcile change in net assets<br>to net cash from operating activities: |              |
| Depreciation  | 467          |
| Sources and (uses) of cash from changes in<br>operating assets and liabilities:         |              |
| Accounts receivable   | (2,690)      |
| Prepays   | (751)        |
| Inventory   | (1,379)      |
| Accounts payable and accrued expenses   | <u>1,817</u> |

**Net Cash Provided by Operating Activities** 57,376

**Investing Activities**

Expenditures for property and equipment (1,528)

**Net Cash Used by Investing Activities** (1,528)

**Net Change in Cash**

**Beginning Cash** 113,983

**Ending Cash** \$ 169,831

See Accompanying Notes

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**DRESSEMBER FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2017**

**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. With effect from February 17, 2017, the name of the Organization was changed from DresseMBER to DresseMBER Foundation.

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. A summary of the significant accounting policies followed is described below to enhance the usefulness of the financial statements to the reader.

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.

Credit Risk

The Organization sells products via a third party partner. Accounts receivable consist of the amounts management expects to collect for sales made during the year.

Donated Services

No amounts have been reflected in the financial statements for donated services. During the year ended March 31, 2017, approximately 5,800 individuals participated in the fundraising campaign. However, these services do not meet the criteria for recognition in the financial statements, and so their value is not recorded.

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, 2017**

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

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in Note 4. Accordingly, certain costs have been allocated among the program and supporting services. Furthermore, there are no joint costs that have been allocated among the program services, general and administrative and fundraising functions.

Inventory

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

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:

Unrestricted amounts are those currently available for use in the organization's operations and those resources invested in property and equipment.

Temporarily restricted amounts are those that are stipulated by donors for specific operating purposes. As of March 31, 2017, Dressember had no temporarily restricted net assets.

All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to legal restrictions.

Contributions are recorded as temporarily restricted when they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from temporarily restricted to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization's policy is to record temporarily restricted contributions received and expended in the same accounting period as temporarily restricted contributions and net assets released from restrictions.

**DRESSEMBER FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2017**

**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.

Support, Revenue and Expenses

Contributions are recorded when cash or unconditional promises-to-give have been received.

Other revenue is recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Evaluation of Subsequent Events

Management has evaluated the impact of all subsequent events through June 29, 2017, 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, 2017, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

**DRESSEMBER FOUNDATION**  
**Notes to Financial Statements**  
**March 31, 2017**

**3. Property and Equipment**

Property and equipment consist of the following:

|                               |    |                     |
|-------------------------------|----|---------------------|
| Office equipment              | \$ | 1,528               |
| Less accumulated depreciation |    | <u>(467)</u>        |
|                               | \$ | <u><u>1,061</u></u> |

Depreciation expense for the year ended March 31, 2017 was \$467.

**4. Functional Allocation of Expense**

The following is an allocation of the Organization's expenses by function for the year ended March 31, 2017:

|                            |    |                         |
|----------------------------|----|-------------------------|
| Program                    | \$ | 1,271,001               |
| General and administrative |    | 77,387                  |
| Fundraising                |    | <u>107,922</u>          |
|                            | \$ | <u><u>1,456,310</u></u> |