DRESS FOR SUCCESS WORLDWIDE
FINANCIAL STATEMENTS
DECEMBER 31, 2018
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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
Dress for Success Worldwide

Report on Financial Statements

We have audited the accompanying financial statements of Dress for Success Worldwide (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, changes in net assets, 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 from 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 entity'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 entity'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 Dress for Success WorldWide as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-matters

As described in Note 11 to the financial statements, net assets as of the beginning of 2018 have been adjusted for net asset increases misposted by the Organization to accounts payable and deferred income, reduced to record amortization of certain intangibles, and reduced to record deferred rent not recorded in previous years.

Adptus Portus LLC

New York, NY
July 11, 2019
DRESS FOR SUCCESS WORLDWIDE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

CURRENT ASSETS:
Cash and cash equivalents $ 1,444,868
Investments 3,972,646
Prepaid expenses and other current assets 107,928
Total current assets 5,525,442

PROPERTY AND EQUIPMENT, NET 36,582

OTHER ASSETS:
Restricted cash - certificate of deposit 250,000
Security deposits 108,591
Investments - deferred compensation obligation 287,456
Total other assets 646,047

TOTAL ASSETS $ 6,208,071

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:
Accounts payable and accrued expenses $ 114,473
Deferred revenues 85,000
Total current liabilities 199,473

LONG-TERM LIABILITIES:
Deferred rent 156,346
Deferred compensation obligation 287,456
Total long-term liabilities 443,802

TOTAL LIABILITIES 643,275

COMMITMENTS AND CONTINGENCIES (NOTES 7, 8 AND 9)

NET ASSETS
Without donor restrictions 4,939,781
With donor restrictions 625,015
TOTAL NET ASSETS 5,564,796

TOTAL LIABILITIES AND NET ASSETS $ 6,208,071

See accompanying notes to financial statements.
DRESS FOR SUCCESS WORLDWIDE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUPPORT AND REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$3,441,293</td>
<td>$1,210,480</td>
<td>$4,651,773</td>
</tr>
<tr>
<td>In-kind contributions - product</td>
<td>14,104,721</td>
<td>-</td>
<td>14,104,721</td>
</tr>
<tr>
<td>In-kind contributions - service</td>
<td>359,300</td>
<td>-</td>
<td>359,300</td>
</tr>
<tr>
<td>Fundraising</td>
<td>1,947,933</td>
<td>-</td>
<td>1,947,933</td>
</tr>
<tr>
<td>Investment loss</td>
<td>(115,170)</td>
<td>-</td>
<td>(115,170)</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>1,329,657</td>
<td>(1,329,657)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL SUPPORT AND REVENUE</strong></td>
<td>21,067,734</td>
<td>(119,177)</td>
<td>20,948,557</td>
</tr>
</tbody>
</table>

**EXPENSES**

Program services:

- Sutting program | $3,876,749 | - | $3,876,749 |
- Affiliate program | 13,073,057 | - | 13,073,057 |
- Employment programs | 1,343,999 | - | 1,343,999 |

Supporting services:

- Fundraising | 1,426,460 | - | 1,426,460 |
- Management and general | 1,537,335 | - | 1,537,335 |

**TOTAL EXPENSES** | 21,257,600 | - | 21,257,600 |

**CHANGES IN NET ASSETS** | $ (189,866) | $ (119,177) | $ (309,043) |

See accompanying notes to financial statements.
### Statement of Functional Expenses

For the Year Ended December 31, 2018

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fundraising</td>
</tr>
<tr>
<td></td>
<td>$759,844</td>
</tr>
<tr>
<td></td>
<td>$1,426,460</td>
</tr>
</tbody>
</table>

#### Program Services

- **Payroll and related expenses**: $382,514
- **Support to Affiliate Organizations**:
  - Product: $10,923,840
  - Services: $3,180,881
- **Program supplies and expenses**: $26,670
- **Printing**: $2,921
- **Professional fees and consultants**:
  - Member conferences: $183,748
  - Travel and meetings: $2,187
- **Rent and related costs**: $236,654
- **Insurance**: $6,630
- **Shipping and postage expenses**: $287
- **Telephone**: $2,524
- **Direct fundraising costs**: $502,930
- **Website and computer**: $26,379
- **Dues and subscriptions**: $287,530
- **Public relations**: $209
- **Credit card fees**: $209
- **Miscellaneous**: $209
- **Depreciation and amortization**:

#### Totals

- **Program Services**: $3,876,749
- **Supporting Services**: $1,426,460

---

See accompanying notes to financial statements.
<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year - as originally reported</td>
<td>$5,038,699</td>
<td>$353,083</td>
<td>$5,391,782</td>
</tr>
<tr>
<td>Prior period adjustments</td>
<td>90,948</td>
<td>391,109</td>
<td>482,057</td>
</tr>
<tr>
<td>Net assets, beginning of year - as restated</td>
<td>5,129,647</td>
<td>744,192</td>
<td>5,873,839</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>(189,866)</td>
<td>(119,177)</td>
<td>(309,043)</td>
</tr>
<tr>
<td>NET ASSETS, END OF YEAR</td>
<td>$4,939,781</td>
<td>$625,015</td>
<td>$5,564,796</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
CASH FLOWS FROM OPERATING ACTIVITIES:
Change in net assets $ (309,043)
Adjustments to reconcile change in net assets to net cash used in operating activities:
Depreciation and amortization 49,884
Deferred rent (29,899)
Realized and unrealized loss on investments 214,084
Changes in assets and liabilities:
Prepaid expenses and other current assets (10,926)
Accounts payable and accrued expenses (83,025)
Deferred revenue (27,000)

Net cash used in operating activities (195,925)

CASH FLOWS FROM INVESTING ACTIVITIES:
Increase in security deposits (31,378)
Purchases of investments, net (93,830)

Net cash used in investing activities (125,208)

NET DECREASE IN CASH AND CASH EQUIVALENTS (321,133)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 1,766,001

CASH AND CASH EQUIVALENTS, END OF YEAR $ 1,444,868

See accompanying notes to financial statements.
NOTE 1 – NATURE OF ACTIVITIES

Nature of Activities

Dress for Success Worldwide ("DSW" or the "Organization") is a not-for-profit service organization that operates through an international headquarters located in New York City and through a network of over 150 independent local not-for-profit affiliates (the "Affiliates") located throughout the United States and worldwide. The mission of Dress for Success is to promote the economic independence of women by providing professional attire, a network of support and the career development tools to help women thrive in work and in life. DSW partners with other not-for-profit member organizations in order to assist unemployed and underemployed women ("clients") in obtaining financial self-sufficiency.

DSW employs a professional staff consisting of administrative personnel, program and affiliate relations staff, and supporting interns and clerical staff. The staff works under the supervision of the Chief Executive Officer and is overseen by a 22-member Board of Directors (18 of whom are voting). The Organization provides brand consistency, sponsorship opportunities, product, funding, an organization of international campaigns and structural support to its Affiliates, and monitors the policies and program quality of affiliated licenses domestically and internationally for adherence to the standards set by the Organization. These Affiliates are independent of DSW, and accordingly, their assets and liabilities as of December 31, 2018, and their support, revenue, expenses, and cash flows have not been included in the accompanying financial statements. The Organization also operates job preparation, career development and employment retention programs for women in New York City with branches in Manhattan and Queens and a warehouse in Queens as well as regional offices in Los Angeles and Chicago that provide job preparation, career development and employment retention programs for women in those areas.

The Organization receives funding necessary to carry out its activities from contributions and grants received from corporations, foundations, individuals and events.

Description of Programs:

Suiting program: The Organization assists clients in obtaining what they need for interviews—from clothing to confidence—and they can return once they find employment for the apparel and accessories needed to enter the workforce. The Suiting Program refers to these programs implemented within DSW service locations in New York City, Chicago, and Los Angeles.

Affiliate program: The Organization provides designated donations from contributors to Affiliates of cash and in-kind donations.

Employment programs: The Organization provides education and training, including job preparation, career development and employment retention programs, to clients. This includes programs run within DSW service locations as well as programs implemented with DSW support in Affiliates globally.
NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Recent Accounting Pronouncements

FASB ASU 2016-14 - Presentation of Financial Statements of Not-for-Profit Entities

The Financial Accounting Standards Board ("FASB") added a project to its agenda to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's ("NFP") liquidity, financial performance, and cash flows. The main provisions of this update, which amends the requirements for financial statements and notes in FASB Accounting Standards Codification ("ASC") Topic 958, Not-for-Profit Entities, require an NFP to:

1) Report amounts for net assets with restrictions and net assets without restrictions, as well as the currently required amount for total net assets.
2) Present on the face of the statement of activities the amount of the change in each of the two classes of net assets.
3) Continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting but no longer requires the presentation or disclosure of the indirect method if using the direct method.
4) Provide enhanced disclosures about a number of qualitative and quantitative items.
5) Report investment return net of external and direct internal investment expenses and no longer requires disclosure of those netted expenses.
6) Use, in the absence of explicit stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with restrictions to net assets without restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption.

The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 31, 2018. The Organization has adopted the update and applied its provisions retrospectively. At December 31, 2018, as a result of the adoption, all unrestricted net assets were reclassified to net assets without donor restriction, and all temporarily restricted net assets were reclassified to net assets with donor restrictions.
NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)
FASB ASU 2016-02 - Leases
In February 2016, the FASB issued a new standard related to leases to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities in the statement of financial position. Most prominent among the changes ASU 2016-02 is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases under current U.S. GAAP. Under ASU 2016-02, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization will be required to recognize and measure leases existing at, or entered into after, the beginning of the earliest comparative period presented using a modified retrospective approach, with certain practical expedients available.

ASU 2016-02 is effective for years beginning after December 15, 2019, with early adoption permitted. The update will have a material impact on the Organization's statement of financial position, but will not have a material impact on its statement of activities. The most significant impact will be the recognition of ROU assets and lease liabilities for operating leases.

Basis of Presentation
The Organization is required to report information regarding its financial position and activities according to two classes of net assets. Net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to stipulations. The Board of Directors will, at times, designate unrestricted net assets for a particular purpose of the Organization. These net assets, if any, are shown separately in the statement of financial position.

Net assets with donor restrictions – Net assets subject to stipulations that will be met either by actions of the Organization and/or the passage of time.

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents
The Organization considered all unrestricted cash and highly liquid investments with an initial maturity of three months or less to be cash equivalents.
NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable
Accounts receivable are stated at their net realizable values. Management evaluates the collectability of its accounts receivable based on certain factors such as historical collection and aging categories. Accounts receivable are written off when deemed uncollectible. At December 31, 2018, there were no accounts receivable.

Contributions
Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are unrestricted by the donor are reported as increases in net assets without donor restrictions. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, either by satisfaction of purpose or by the passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Promises to Give
Promises to give which are to be received in future periods beyond twelve months of the statement of financial position date are classified as long term and are discounted to their net present value at the time the revenue is recorded. The allowance for uncollectible promises to give is based on management’s experience with prior campaigns and its analysis of specific promises to give. At December 31, 2018, there were no promises to give.

Donated Materials, Equipment and Services
Donated materials and equipment are recorded as contributions at their estimated values at the date of receipt. The Organization recognizes donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. For the year ended December 31, 2018, $359,300 has been recorded as in-kind contributions – service in the accompanying statement of activities for public relations expense relating to fundraising. Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

During the year ended December 31, 2018, the Organization received donations of clothing, jewelry, cosmetics and other items that totaled $14,104,721, included in in-kind contributions – product in the accompanying statement of activities, for use in the Suiting ($3,180,881) and Affiliate ($10,923,840) programs.

Membership Dues
The Organization records all membership dues as contributions; therefore, all membership dues are immediately recognized as unrestricted revenue in the period received.
NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue
Revenue collected in advance for sponsorship of events or the Organization’s annual gala is initially recorded as deferred revenue and is recognized as revenue at the time of the event.

Affiliates
The Organization receives financial and in-kind support for its Affiliates each year and passes through the contributions to its Affiliates. Distributions including restricted funding for employment programs, reallocation of corporate funds to Affiliates participating in strategic partnership engagements, and contributions provided to Affiliates for other purposes. During 2018, $1,345,457 in cash and $10,923,840 in in-kind donations - product was provided in financial support to Affiliates.

Further, the Organization acts as an agent to the Affiliates for online donations. The Organization receives online donations designated for specific Affiliates from contributors, and accordingly, treats the transaction as an exchange and does not record the receipt of funds as a contribution. During 2018, the Organization received approximately $280,000 of online donations designated for Affiliates. As of December 31, 2018, approximately $90,000 is owed to Affiliates, which is included in the statement of financial position in the accompanying statement of activities.

Property and Equipment
Property and equipment are stated at cost or, if contributed, the fair market value on the date of the contribution. The Organization capitalizes expenditures and contributions of furnishings and equipment in excess of $1,000. Depreciation and amortization is calculated using the straight-line method based on the property’s estimated useful life of three to seven years. Leasehold improvements are amortized over the lesser of the remaining lease term or their estimated useful life.

Intangible Assets
Intangible assets are stated at cost or, if contributed, the fair market value on the date of the contribution, and consist of domain names, trademarks and other intangibles. Amortization was calculated using the straight-line method based on the intangibles’ estimated useful lives of 10 to 15 years. Amortization expense amounted to $16,548 during the year ended December 31, 2018. As of December 31, 2018, all intangibles have been fully amortized.

Functional Allocation of Expenses
The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with particular programs or support functions are charged directly to that program or function. Salaries and related costs have been allocated among the programs and supporting services based upon management’s best estimates of the proportion of these costs applicable to each program. Other costs have been allocated to program services and to support services based upon management’s best estimates.
NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes
The Organization has received a tax determination letter from the Internal Revenue Service stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code and is thus exempt from Federal and state income taxes. The Organization does not have any unrelated business income and accordingly, does not have any uncertain tax positions that require recognition or disclosure in the financial statements.

The Organization's management evaluates tax positions and recognizes a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed its tax positions, and has concluded that as of December 31, 2018, there are no uncertain tax positions that would require recognition or disclosure. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Investments
Investment securities are recorded at fair value. The fair value of equity and debt securities is based on quoted market prices of the underlying securities in active markets for identical assets (see Note 3). Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Organization’s gains and losses on investments bought and sold as well as held during the year. Investment income includes investment advisory fees charged, totaling $30,306 for the year ended December 31, 2018.

Fair Value Measurements
The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 2</td>
<td>Inputs to the valuation methodology include:</td>
</tr>
<tr>
<td></td>
<td>• quoted prices for similar assets or liabilities in active markets;</td>
</tr>
<tr>
<td></td>
<td>• quoted prices for identical or similar assets or liabilities in inactive markets;</td>
</tr>
<tr>
<td></td>
<td>• inputs other than quoted prices that are observable for the asset or liability;</td>
</tr>
<tr>
<td></td>
<td>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</td>
</tr>
<tr>
<td></td>
<td>If the assets or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</td>
</tr>
<tr>
<td>Level 3</td>
<td>Inputs to the valuation methodology are unobservable and significant to the fair value measurement.</td>
</tr>
</tbody>
</table>
NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued)
The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Subsequent Events
The Organization evaluated events and transactions for potential recognition or disclosure through July 11, 2019, the date the financial statements were available to be issued.

NOTE 3 - FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018, from prior periods.

Cash equivalents: Are public investment vehicles valued using $1 for the net asset value.

Equity securities: Valued at the closing price on the last business day of the year.

Mutual funds: Valued at the daily closing price as reported by the fund. The funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Corporate and U.S. Treasury bonds: Valued using either the reported bid price at the close of business, the reported mid-price at the close of business, or pricing models maximizing the use of observable inputs for similar securities.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of December 31, 2018.

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash equivalents</td>
<td>$ 389,811</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 389,811</td>
</tr>
<tr>
<td>Equities</td>
<td>719,574</td>
<td>-</td>
<td>-</td>
<td>719,574</td>
</tr>
<tr>
<td>Mutual funds - equities</td>
<td>592,288</td>
<td>-</td>
<td>-</td>
<td>592,288</td>
</tr>
<tr>
<td>Mutual funds - bonds</td>
<td>1,156,583</td>
<td>-</td>
<td>-</td>
<td>1,156,583</td>
</tr>
<tr>
<td>Corporate and U.S. Treasury bonds</td>
<td>-</td>
<td>1,504,201</td>
<td>-</td>
<td>1,504,201</td>
</tr>
</tbody>
</table>

$ 2,858,256 $ 1,504,201 $ - $ 4,362,457

Cash equivalents are included in “Cash and cash equivalents” in the accompanying statement of financial position.
NOTE 4 - CONCENTRATION OF CREDIT RISK

The Organization places its cash and cash equivalents with major financial institutions. At times, the balances may exceed federally insured limits. The Organization has not experienced any losses in these accounts.

The Organization received approximately 20% of contributions from one supporter. The supporter only contributed in-kind product.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2018, consists of the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and fixtures</td>
<td>34,254</td>
</tr>
<tr>
<td>Office and computer equipment</td>
<td>125,167</td>
</tr>
<tr>
<td>Website</td>
<td>95,000</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>74,355</td>
</tr>
<tr>
<td></td>
<td>328,776</td>
</tr>
<tr>
<td>Accumulated depreciation and amortization</td>
<td>(292,194)</td>
</tr>
<tr>
<td></td>
<td>$ 36,582</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense for the year ended December 31, 2018, was $33,336.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2018:

Subject to the passage of time:
- None $ -

Subject to expenditure for specified purpose:
- Career HUB 300,000
- Funds received for Affiliate programs 170,000
- 2019 Los Angeles Financial Literacy program 10,000
- 2019 Chicago Financial Literacy program 20,000
- 2019 Financial Literacy program 20,000
- 2019 LeadHerShip program 75,000
- 2019 Success is Calling program 25,000
- Other 5,015
- Total 625,015

Total net assets with donor restrictions $ 625,015

-15-
NOTE 7 - COMMITMENTS AND CONTINGENCIES

The Organization has non-cancelable operating leases for office space, warehouse space, and boutique space located in New York, Illinois and California. The leases expire through 2024, and certain leases contain annual escalation clauses for property taxes and general operating and maintenance costs of the landlord, as well as annual rental increases. Further, certain leases contain negotiated monthly rent abatements.

In accordance with U.S. GAAP, the total amount of rental payments due over the lease terms is being charged to rent expense on the straight-line method over the terms of the leases. The difference between rent expense recorded and the amount paid is credited or charged to deferred rent in the accompanying statement of financial position.

Future minimum annual lease payments are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$510,387</td>
</tr>
<tr>
<td>2020</td>
<td>480,792</td>
</tr>
<tr>
<td>2021</td>
<td>435,817</td>
</tr>
<tr>
<td>2022</td>
<td>197,427</td>
</tr>
<tr>
<td>2023</td>
<td>131,484</td>
</tr>
<tr>
<td>Thereafter</td>
<td>43,957</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,799,864</strong></td>
</tr>
</tbody>
</table>

Rent expense for the year ended December 31, 2018 was $577,133.

NOTE 8 - RETIREMENT PLANS

The Organization has a 403(b) retirement plan (the “Plan”). The Plan covers all eligible employees, as defined. The Plan also provides employer discretionary matching contributions, up to 4%, and employer discretionary contributions to all eligible employees. The Organization reserves the right to modify or discontinue the Plan at any time. For the year ended December 31, 2018, the employer discretionary matching contribution totaled $42,161.

The Organization also adopted an executive deferred compensation plan for selected employees (managerial or highly compensated). The executive plan allows eligible employees to defer portions of their current compensation. The initial employee covered under the executive plan has accrued compensation under this plan of $287,456 as of December 31, 2018. For the years ended December 31, 2018, the employee compensation set aside for the executive totaled $30,000. The Organization has segregated $287,456 included in Investment - deferred compensation obligation, in the accompanying statement of financial position, to fund the executive plan.
NOTE 9 - LINE OF CREDIT

At December 31, 2018, the Organization has a line of credit agreement totaling $250,000, which is secured by a certificate of deposit in the amount of $250,000. The line of credit accrues interest on the unpaid principal balance at the U.S. prime rate. The accrued interest is payable monthly, with principal due at the earlier of demand or reaffirmation. During the year ended December 31, 2018, the Organization had no borrowings under the line of credit.

NOTE 10 - FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS

The Organization's financial assets, as of December 31, 2018, available for general expenditures within one year of the accompanying statement of financial position are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,444,868</td>
</tr>
<tr>
<td>Investments</td>
<td>3,972,646</td>
</tr>
<tr>
<td>Restricted cash – certificate of deposit</td>
<td>250,000</td>
</tr>
<tr>
<td>Investments – deferred compensation obligation</td>
<td>287,456</td>
</tr>
<tr>
<td>Financial assets</td>
<td>5,954,970</td>
</tr>
</tbody>
</table>

Less financial assets held to meet donor-imposed restrictions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose-restricted net assets (Note 6)</td>
<td>(625,015)</td>
</tr>
</tbody>
</table>

Less financial assets not available within one year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted cash – certificate of deposit</td>
<td>(250,000)</td>
</tr>
<tr>
<td>Investments – deferred compensation obligation</td>
<td>(287,456)</td>
</tr>
</tbody>
</table>

Financial assets available for general expenditures within one year $4,792,499

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization maintains a line of credit of $250,000 to cover short-term cash needs, if necessary.
NOTE 11 - RECLASSIFICATION OF OPENING BALANCES AND PRIOR PERIOD ADJUSTMENTS

The following has been reclassified as a result of the adoption of FASB ASC Topic 958, Not-for-Profit Entities:

<table>
<thead>
<tr>
<th></th>
<th>As previously reported, December 31, 2017</th>
<th>As restated, December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$ 5,038,699</td>
<td></td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>353,083</td>
<td></td>
</tr>
<tr>
<td>Without donor restrictions</td>
<td></td>
<td>$ 5,038,589</td>
</tr>
<tr>
<td>With donor restrictions</td>
<td></td>
<td>353,193</td>
</tr>
<tr>
<td>Net assets before prior period adjustments</td>
<td>$ 5,391,782</td>
<td>$ 5,391,782</td>
</tr>
</tbody>
</table>

Net assets at the beginning of 2018 have been adjusted for net asset increases misposted by the Organization to accounts payable and deferred income. Had the misposting not occurred, changes in net assets without donor restrictions and with donor restrictions would have increased by $353,193 and $391,109, respectively. In addition, net assets at the beginning of 2018 have been adjusted for deferred rent that was not recorded. Had deferred rent been recorded, deferred rent payable would have increased and net assets without donor restrictions would have decreased by $186,245. Further, net assets at the beginning of 2018 have been adjusted for amortization not being recorded for the Organization’s website. Had amortization been recorded, net assets without donor restriction and property and equipment would have decreased by $76,000.

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning year - as originally reported</td>
<td>$ 5,038,699</td>
<td>$ 353,083</td>
</tr>
<tr>
<td>Prior period adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misposting of accounts payable and deferred income</td>
<td>353,193</td>
<td>391,109</td>
</tr>
<tr>
<td>Deferred rent payable</td>
<td>(186,245)</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of website</td>
<td>(76,000)</td>
<td>-</td>
</tr>
<tr>
<td>Net assets, beginning year - as restated</td>
<td>$ 5,129,647</td>
<td>$ 744,192</td>
</tr>
</tbody>
</table>

Accordingly, as a result of the adjustments, the Organization increased net assets without donor restrictions and with donor restrictions at January 1, 2018. As a result of the adjustments, changes in net assets during the year ended December 31, 2017, would have increased by $708,302.