DIGNITY PERIOD

Financial Statements and Independent Auditors' Report

YEAR ENDED DECEMBER 31, 2019

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Contents

Independent Auditors' Report

Board of Directors
Dignity Period, Inc.
St. Louis, Missouri

We have audited the accompanying financial statements of Dignity Period, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 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.

Auditors' 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 auditors' 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.

Anders Minkler Huber & Helm LLP | 800 Market Street-Suite 500 | St. Louis, MO 63101-2501 | p (314) 655-5500 | f (314) 655-5501 | www.anderscpa.com

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 Dignity Period, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Anders Minkler Huber & Helm LLP

September 9, 2020

Dignity Period, Inc.
Statement of Financial Position
December 31, 2019

Assets

Current Assets	
Cash and cash equivalents	$ 314,667
Prepaid expenses and other current assets	10,442
Total Current Assets	325,109
Intangible Assets, net	8,664
Total Assets	$ 333,773

Liabilities and Net Assets

Current Liabilities	
Accounts payable	$ 6,642
Accrued expenses	3,873
Deferred revenue	9,200
Total Current Liabilities	19,715
Net Assets	
Without donor restrictions	273,070
With donor restrictions	40,988
Total Net Assets	314,058
Total Liabilities and Net Assets	$ 333,773

Dignity Period, Inc.
Statement of Activities
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Contributions	$ 388,435	$ 15,988	$ 404,423
Grants	5,000	25,000	30,000
In-kind contributions	23,160	-	23,160
Investment income	1,629	-	1,629
	418,224	40,988	459,212
Gross special events revenue	62,428	-	62,428
Less cost of direct benefits to donors	(50,906)	-	(50,906)
Net special events revenue	11,522	-	11,522
Net assets released from restrictions:			
Satisfaction of time and usage restrictions	500	(500)	-
Total Revenues, Gains and Other Support	430,246	40,488	470,734
Expenses			
Program Services	239,844	-	239,844
Supporting Activities			
Management and general	61,527	-	61,527
Fundraising	70,509	-	70,509
Total Supporting Activities	132,036	-	132,036
Total Expenses	371,880	-	371,880
Change in Net Assets	58,366	40,488	98,854
Net Assets, Beginning of Year	214,704	500	215,204
Net Assets, End of Year	$ 273,070	$ 40,988	$ 314,058

Dignity Period, Inc.
Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services			Supporting Activities			
	Outreach	Research and Education	Total	Management and General	Fundraising	Total	Total Expenses
Accounting	$ -	$ -	$ -	$ 40,372	$ -	$ 40,372	$ 40,372
Advertising	526	526	1,052	435	732	1,167	2,219
Amortization	281	281	562	263	-	263	825
Bank Fees	370	370	740	63	6,224	6,287	7,027
Dues and subscriptions	600	600	1,200	212	1,012	1,224	2,424
Education and awareness	-	14,985	14,985	-	-	-	14,985
Legal	564	564	1,128	4,658	-	4,658	5,786
Meals	276	276	552	-	-	-	552
Office expenses	253	254	507	918	480	1,398	1,905
Outside services	7,342	7,342	14,684	5,030	2,024	7,054	21,738
Printing, duplicating, and postage	570	570	1,140	-	1,013	1,013	2,153
Program material costs	103,068	-	103,068	-	-	-	103,068
Salary and payroll expenses	34,567	34,567	69,134	9,576	58,715	68,291	137,425
Supplies	30	30	60	-	309	309	369
Travel	8,786	8,786	17,572	-	-	-	17,572
Website	6,730	6,730	13,460	-	-	-	13,460
Total Expenses	$ 163,963	$ 75,881	$ 239,844	$ 61,527	$ 70,509	$ 132,036	$ 371,880

Dignity Period, Inc.
Statement of Cash Flows
Year Ended December 31, 2019

Cash Flows From Operating Activities	
Change in net assets	$ 98,854
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Amortization	825
Decrease in assets:	
Prepaid expenses and other current assets	2,980
Increase (decrease) in liabilities:	
Accounts payable	(2,600)
Accrued expenses	1,419
Deferred revenue	555
Net Cash Provided by Operating Activities	102,033
Net Increase in Cash and Cash Equivalents	102,033
Cash and Cash Equivalents, Beginning of Year	212,634
Cash and Cash Equivalents, End of Year	$ 314,667

1. Nature of Operations and Basis of Presentation

Organization

Dignity Period, Inc. (the "Organization") is a not-for-profit organization whose mission and principal activities are to keep Ethiopian girls in school by ensuring that they have access to quality menstrual hygiene products and education and to end period poverty in St. Louis, Missouri. The Organization was incorporated on May 27, 2014 in partnership with 2019 CNN Hero Freweini Mebrahtu, owner of Mariam Seba Sanitary Products Factory and Mekelle University in Ethiopia. The Organization operates: to promote scientific and medical research on menstruation and menstrual disorders; to achieve a deeper understanding of social attitudes and cultural beliefs about menstruation by promoting high-quality ethnographic research on these topics; to promote the dissemination of accurate scientific information concerning the biology of menstruation and menstrual disorders to girls and women, with a special emphasis on reaching girls and women living in resource-poor environments and in cultures where menstruation is viewed negatively; to combat negative cultural attitudes towards normal human female reproductive physiology and to dispel false notions and cultural myths about menstruation and menstrual hygiene; to work towards the provision of adequate water, sanitation and hygiene facilities at primary and secondary schools, the absence of which negatively impacts girls disproportionately compared to boys; to promote the development and use of comfortable, low-cost, locally-produced, environmentally-friendly, re-useable menstrual hygiene products as an important means to achieving satisfactory menstrual hygiene for girls and women; to make such products widely available--at or below the cost of manufacture where necessary--in resource-poor areas so that the dignity of girls and women is preserved and the quality of their daily lives is enhanced during menstruation; and to ensure through the activities outlined above that no girl or woman is forced to sacrifice her education due to a lack of satisfactory menstrual hygiene and the presence of negative cultural attitudes towards menstruation and female reproductive biology.

The Organization currently carries out these activities in northern Ethiopia in collaboration with Mekelle University and with the Mariam Seba Sanitary Products Factory, a private company, located in Mekelle, Ethiopia. This collaboration is carried out under the name of The Menstrual Dignity Project (aka The Dignity Period Project) in the Tigray and Afar regions of northern Ethiopia. The Organization raises money, which are dispersed through grants to Mekelle University for the purpose of carrying out research projects and interventions to achieve these goals under the terms of a memorandum of understanding signed in June 2014. Funds within the Mekelle University system are audited and controlled by the University, and regular reports are sent to the Organization in St. Louis. Through these efforts in 2019, the Organization reached 175 schools, educated 135,000 students, delivered 66,000 menstrual pad kits and saw a 24% drop in school absences among girls as compared to boys.The Organization from inception to 2019 has reached more than 336,000 students.

Period poverty also exists in the United States and the Organization has extended outreach to meet the hygiene needs of low-income women in St. Louis, Missouri

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the provisions of the Financial Accounting Standards Board ("FASB"), Accounting Standards Codification (the "FASB ASC"), which is the source of authoritative, non-governmental accounting principles generally accepted in the United States of America ("GAAP"). All references to authoritative accounting guidance contained in our disclosures are based on the general accounting topics within the FASB ASC.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified into two categories of net assets, as applicable, and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Board designated funds are established by the Board of Directors and represent net assets without donor restrictions that have been set aside for various future activities.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may be satisfied by specific activities or the passage of time, or are required to be maintained in perpetuity by the Organization.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

The Organization follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The three general valuation techniques used to measure fair value are the market approach, cost approach, and income approach.

Carrying amounts of certain financial instruments such as cash and cash equivalents, accounts payable, and accrued expenses approximate fair value due to their short maturities or because the terms are similar to market terms. There have been no changes in the methodologies used at December 31, 2019.

Cash and Cash Equivalents

The Organization considers all cash in banks and short-term investments with an original maturity of three months or less at the time of purchase to be cash and cash equivalents.

Intangible Assets

Intangible assets consist of $1,655, $1,301, and $9,404 related to organizational costs, trademark costs, and promotional video costs, respectively, are deemed to have a finite life. The associated costs are amortized over the life of the asset. The Organization periodically reviews its amortizable intangible assets for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Management does not believe any impairment exists as of December 31, 2019.

Deferred Income

Deferred income consists of payments received for special events to be held in the next year. These payments will be recognized as income in the period in which they are earned.

Support and Revenue

Contributions are recorded as received. All contributions are available for general activities unless specifically restricted by the donor. When a restriction expires, 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 with donor restrictions in which the restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

Donated Materials and Services (In Kind)

Donated noncash assets are recorded as contributions at their fair values at the date of donation. The estimated fair values of donated goods and services was approximately $23,160 for the year ended December 31, 2019.

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Expense Allocation

The costs of program services and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising costs totaled $2,219 for the year ended December 31, 2019.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), except on net income derived from unrelated business activities as defined in the Code. Accordingly, the Organization files as a tax exempt organization.

The Organization follows guidance issued by the FASB on accounting for income taxes and has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings, and believes that no provision for income taxes is necessary to cover any uncertain tax positions. The Organization's returns for tax years 2016 and later remain subject to examination by taxing authorities.

3. Intangible Assets

The carrying amounts and accumulated amortization of recognized intangible assets at December 31, 2019 are as follows:

	Carrying Amount	Accumulated Amortization	Net
Amortized intangible assets:			
Trademarks	$ 1,301	$ 448	$ 853
Organizational costs	1,655	570	1,085
Promotional video costs	9,404	2,678	6,726
	$ 12,360	$ 3,696	$ 8,664

Intangible assets are being amortized over 15 years beginning on the date the costs were incurred. Amortization expense totaled $825 for the year ended December 31, 2019.

Amortization expense for the five years subsequent to 2019 is estimated to be as follows:

Years Ending December 31,		
2020	$	825
2021		825
2022		825
2023		825
2024		825
	$	4,125

4. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of December 31, 2019 reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations.

Cash and cash equivalents	$	314,667
Contractual or donor-imposed restrictions:		
Donor restrictions		(40,988)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	$	273,679

The Organization's primary sources of support are contributions and grants. Some support is required to be used in accordance with the purpose restrictions imposed by the donors. The Organization supports activities in Ethopia and other areas based upon the needs of the programs as well as the cash available at the Organization level.

5. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31, 2019:

Purpose restrictions		
For program activities in Ethopia		36,150
For program activities in St. Louis		4,838
	$	40,988

Assets released from restrictions for the year ended December 31, 2019 are as follows:

Released from restrictions of purpose	$	500

6. Risks and Uncertainties

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents. The Organization maintains its cash primarily with two financial institution. Deposits at these banks are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000.

Concentrations

Contributions from one donor was approximately 39 percent of the Organization's contributions during the year ended December 31, 2019.

Covid-19

During the first quarter of 2020, the World Health Organization declared *COVID-19* to be a public health emergency. *COVID-19* has caused a downturn in business activity across most sectors and industries in the United States and internationally. The Organization cannot reasonably estimate the length or severity of this pandemic. At this time, *COVID-19* has not negatively impacted the Organization; however, it remains too early to estimate the full impact, if any, on future financial results.

Foreign Operations

The Organization's operations in Ethiopia are subject to risks inherent in operating in these sovereign states of East Africa that are not typically associated with operations in North America. Accordingly, the Organization's financial condition and activities may be influenced by the political, economic, and legal environments in these sovereign states. As a result, the Organization's activities in these states are subject to a variety of risks, including:

- Social, political, and economic instability
- Inflation
- Additional costs of compliance with government regulation and licensing requirements
- Tariffs and other trade barriers
- Expropriation, nationalization, and limitation on repatriation of earnings
- Fluctuations in foreign exchange rates
- Difficulties in managing foreign operations
- Unexpected changes in regulatory requirements

Any of these developments, or others, could adversely affect the financial condition and activities. Should such circumstances occur, the Organization might need to alter activities in a particular area. The Organization's ability to deal with these issues may be affected by applicable U.S. laws and in particular, potential conflicts between the requirements of U.S. law and the need to protect its assets.

7. Grants Recorded by Ethiopian Organizations

Grants have been recorded directly by Ethiopian organizations as a result of the Organization's efforts throughout the world. Total grants received by Ethiopian organizations for the year ended December 31, 2019, as translated into U.S. Dollars are $150,524. Amounts are not considered an agency transaction or revenue for the Organization as the Organization did not receive the funds and has no control over the funds. Expenses relating to the raising of these grants are included in program expenses.

8. Subsequent Event

The Organization has evaluated subsequent events through September 9, 2020, the date the financial statements were available to be issued. In 2020, the Organization received a Paycheck Protection Program Loan through the U.S. Small Business Association in the amount of $22,048. The loan is eligible for forgiveness upon meeting certain requirements. The Organization anticipates that it will meet the requirements for forgiveness. If the loan is not forgiven, the loan will be repaid with interest at 1 percent beginning November 2020, with the final payment due April 2025.