



# DIGNITY PERIOD

Financial Statements and Independent Auditors' Report

YEARS ENDED DECEMBER 31, 2021 AND 2020



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## Independent Auditors' Report

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

### ***Opinion***

We have audited the accompanying financial statements of Dignity Period, Inc. which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dignity Period, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dignity Period Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Dignity Period, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dignity Period, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



July 29, 2022

**Dignity Period, Inc.**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

**Assets**

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and cash equivalents	\$ 450,877	\$ 603,548
Unconditional promises to give	6,684	9,180
Prepaid expenses and other current assets	<u>45,819</u>	<u>7,069</u>
Total Current Assets	503,380	619,797
Investments, at fair value	295,936	-
Intangible Assets, net	<u>7,012</u>	<u>7,839</u>
Total Assets	<u><u>\$ 806,328</u></u>	<u><u>\$ 627,636</u></u>

**Liabilities and Net Assets**

Current Liabilities		
Accounts payable	\$ 2,171	\$ 42,517
Accrued expenses	<u>57,924</u>	<u>5,243</u>
Total Current Liabilities	60,095	47,760
Debt Paycheck Protection Program	<u>-</u>	<u>22,048</u>
Total Liabilities	<u>60,095</u>	<u>69,808</u>
Net Assets		
Without donor restrictions	597,277	370,966
With donor restrictions	<u>148,956</u>	<u>186,862</u>
Total Net Assets	<u>746,233</u>	<u>557,828</u>
Total Liabilities and Net Assets	<u><u>\$ 806,328</u></u>	<u><u>\$ 627,636</u></u>

**Dignity Period, Inc.**  
**Statement of Activities**  
**Year Ended December 31, 2021**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenues, Gains and Other Support			
Contributions	\$ 349,092	\$ 6,784	\$ 355,876
Grants	22,637	49,111	71,748
Paycheck Protection Program debt forgiveness	22,048	-	22,048
In-kind contributions	1,098	-	1,098
Miscellaneous revenue	3,506	-	3,506
Investment income (loss)	(1,474)	-	(1,474)
	<u>396,907</u>	<u>55,895</u>	<u>452,802</u>
Gross special events revenue	51,824	-	51,824
Less cost of direct benefits to donors	(17,263)	-	(17,263)
Net special events revenue	<u>34,561</u>	<u>-</u>	<u>34,561</u>
Net assets released from restrictions:			
Satisfaction of time and usage restrictions	<u>93,801</u>	<u>(93,801)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>525,269</u>	<u>(37,906)</u>	<u>487,363</u>
Expenses			
Program Services	<u>168,325</u>	<u>-</u>	<u>168,325</u>
Supporting Activities			
Management and general	63,535	-	63,535
Fundraising	67,098	-	67,098
Total Supporting Activities	<u>130,633</u>	<u>-</u>	<u>130,633</u>
Total Expenses	<u>298,958</u>	<u>-</u>	<u>298,958</u>
Change in Net Assets	226,311	(37,906)	188,405
Net Assets, Beginning of Year	<u>370,966</u>	<u>186,862</u>	<u>557,828</u>
Net Assets, End of Year	<u>\$ 597,277</u>	<u>\$ 148,956</u>	<u>\$ 746,233</u>

**Dignity Period, Inc.**  
**Statement of Activities**  
**Year Ended December 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions	\$ 284,538	\$ 175,450	\$ 459,988
Grants	31,088	11,412	42,500
In-kind contributions	19,825	-	19,825
Miscellaneous revenue	327	-	327
	<u>335,778</u>	<u>186,862</u>	<u>522,640</u>
 Gross special events revenue	 76,058	 -	 76,058
Less cost of direct benefits to donors	<u>(62,260)</u>	<u>-</u>	<u>(62,260)</u>
Net special events revenue	<u>13,798</u>	<u>-</u>	<u>13,798</u>
 Net assets released from restrictions:			
Satisfaction of time and usage restrictions	<u>40,988</u>	<u>(40,988)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>390,564</u>	<u>145,874</u>	<u>536,438</u>
 Expenses			
Program Services	<u>166,992</u>	<u>-</u>	<u>166,992</u>
Supporting Activities			
Management and general	57,398	-	57,398
Fundraising	<u>68,278</u>	<u>-</u>	<u>68,278</u>
Total Supporting Activities	<u>125,676</u>	<u>-</u>	<u>125,676</u>
Total Expenses	<u>292,668</u>	<u>-</u>	<u>292,668</u>
 Change in Net Assets	 97,896	 145,874	 243,770
 Net Assets, Beginning of Year	 <u>273,070</u>	 <u>40,988</u>	 <u>314,058</u>
 Net Assets, End of Year	 <u>\$ 370,966</u>	 <u>\$ 186,862</u>	 <u>\$ 557,828</u>

**Dignity Period, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2021**

	Program Services			Supporting Activities			Total
	Outreach	Research and Education	Total	Management and General	Fundraising	Total	Expenses
Accounting	\$ -	\$ -	\$ -	\$ 21,065	\$ -	\$ 21,065	\$ 21,065
Advertising	-	-	-	293	1,365	1,658	1,658
Amortization	311	311	622	206	-	206	828
Bank fees	227	227	454	-	1,991	1,991	2,445
Dues and subscriptions	192	192	384	1,230	746	1,976	2,360
Legal	-	-	-	4,153	-	4,153	4,153
Meals	61	61	122	-	-	-	122
Office expenses	315	315	630	1,446	690	2,136	2,766
Outside services	538	538	1,076	4,770	2,945	7,715	8,791
Printing, duplicating, and postage	618	618	1,236	-	1,864	1,864	3,100
Program material costs	33,273	-	33,273	-	-	-	33,273
Salary and payroll expenses	63,648	63,648	127,296	30,372	57,497	87,869	215,165
Travel	374	374	748	-	-	-	748
Website	1,242	1,242	2,484	-	-	-	2,484
Total Expenses	<u>\$ 100,799</u>	<u>\$ 67,526</u>	<u>\$ 168,325</u>	<u>\$ 63,535</u>	<u>\$ 67,098</u>	<u>\$ 130,633</u>	<u>\$ 298,958</u>



**Dignity Period, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 30, 2020**

	Program Services			Supporting Activities			Total Expenses
	Outreach	Research and Education	Total	Management and General	Fundraising	Total	
Accounting	\$ -	\$ -	\$ -	\$ 18,523	\$ -	\$ 18,523	\$ 18,523
Advertising	1,528	1,528	3,056	321	1,669	1,990	5,046
Amortization	312	312	624	201	-	201	825
Bank fees	241	241	482	60	3,695	3,755	4,237
Dues and subscriptions	521	521	1,042	527	576	1,103	2,145
Legal	1,700	1,700	3,400	8,837	-	8,837	12,237
Office expenses	574	574	1,148	1,181	1,148	2,329	3,477
Outside services	1,130	1,130	2,260	6,926	1,217	8,143	10,403
Printing, duplicating, and postage	547	547	1,094	-	1,992	1,992	3,086
Program material costs	66,276	-	66,276	-	-	-	66,276
Salary and payroll expenses	33,761	33,761	67,522	20,822	57,971	78,793	146,315
Supplies	300	300	600	-	10	10	610
Travel	764	764	1,528	-	-	-	1,528
Website	8,980	8,980	17,960	-	-	-	17,960
Total Expenses	<u>\$ 116,634</u>	<u>\$ 50,358</u>	<u>\$ 166,992</u>	<u>\$ 57,398</u>	<u>\$ 68,278</u>	<u>\$ 125,676</u>	<u>\$ 292,668</u>

**Dignity Period, Inc.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 188,405	\$ 243,770
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	827	825
Paycheck Protection Program debt forgiveness	(22,048)	-
Unrealized (gains) losses on investments	4,064	-
(Increase) decrease in assets:		
Unconditional promises to give	2,496	(9,180)
Prepaid expenses and other current assets	(38,750)	3,373
Increase (decrease) in liabilities:		
Accounts payable	(40,346)	35,875
Accrued expenses	52,681	1,370
Deferred revenue	-	(9,200)
Net Cash Provided by Operating Activities	<u>147,329</u>	<u>266,833</u>
Cash Flows From Investing Activities		
Purchases of investments	<u>(300,000)</u>	<u>-</u>
Net Cash Used in Investing Activities	<u>(300,000)</u>	<u>-</u>
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program - Debt	<u>-</u>	<u>22,048</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>22,048</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(152,671)	288,881
Cash and Cash Equivalents, Beginning of Year	<u>603,548</u>	<u>314,667</u>
Cash and Cash Equivalents, End of Year	<u>\$ 450,877</u>	<u>\$ 603,548</u>

**Dignity Period, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

**1. Nature of Operations and Basis of Presentation**

**Organization**

Dignity Period, Inc. (the "Organization") is a not-for-profit organization incorporated on May 27, 2014 in the State of Missouri, whose mission is to impact period poverty (lack of access to menstrual hygiene products due to financial and other constraints) around the globe by improving access to accurate menstrual information and by distributing high-quality, washable, and reusable menstrual hygiene products. The Organization is motivated by the belief that those who menstruate should do so with comfort and in dignity. The principal activities of the Organization are programs designed to ensure that women and girls have access to quality menstrual hygiene products and education throughout the world especially in Ethiopia and in the United States of America.

The Organization strives to impact period poverty in the United States. In 2019, research conducted by the Organization in conjunction with Saint Louis University confirmed the presence of substantial period poverty in the greater St. Louis community. Based on this research, The Organization began a U.S.-based program focusing on the distribution of kits containing 4 washable, reusable menstrual pads to schools, libraries, food pantries and other collaborating organizations throughout the U.S. The Organization also is developing educational material to be distributed along with the kits, that provides instruction on use of the pads, addresses the biology of menstruation, and debunks taboos and misinformation which are prevalent concerning menstruation. In 2021 the Organization reached 3800 individuals through the U.S.-based program, providing them with sustainable pad kits to meet their menstrual hygiene needs for at least 12 months.

The Organization's Ethiopian program is carried out in collaboration with the College of Health Sciences at Mekelle University in the Tigray Region of Ethiopia, along with a private company located in the city of Mekelle, the Mariam Seba Sanitary Products Factory. The Mariam Seba Factory was founded by Ms. Freweini Mebrahtu, who was named the "CNN Hero of the Year" in 2019 for her work with Dignity Period in menstrual hygiene advocacy and improved management of menstruation in Ethiopia. The Organization continues to work toward dispelling false notions and cultural myths about menstruation and menstrual hygiene. The Organization aims to ensure through the activities described 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 also works in partnership with Ayder Comprehensive Specialized Hospital in Mekelle to supply menstrual hygiene kits to post-partum women. Since the Organization started its programs, it has reach over 350,000 students and distributed more than 166,000 menstrual hygiene kits in Ethiopia.

**Dignity Period, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

The Organization from inception has reached more than 350,000 students and distributed over 166,000 menstrual hygiene kits in Ethiopia.

Period poverty also exists in the United States. The Organization has distributed over 1,000 pad kits to collaborative community partners throughout the U.S.A.

COVID-19 has affected girls and families across the world, and led to the closure of schools in northern Ethiopia from March, 2020. The Organization's programs have therefore been expanded to assist relief efforts in Ethiopia and the United States as a result of the effects of the virus. Clashes between Federal Ethiopian troops and Tigray Regional forces in northern Ethiopia have forced the Organization to extend their usual outreach to include other needs of internally displaced persons in this part of Ethiopia as of November, 2020. During 2021, the Organization also focused their efforts in the St. Louis area and other locations within the U.S due to the ongoing political unrest in Ethiopia.

### **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.

**Dignity Period, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

**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.

**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.

**Unconditional Promises to Give**

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free interest rates applicable to the years in which the promises are to be received.

The Organization provides an allowance for doubtful promises to give equal to the estimated losses that will be incurred in the collection of unconditional promises to give. This estimate is based on historical experience coupled with a review of the current status of existing unconditional promises to give. The allowance and associated promises are reduced when the promises are determined to be uncollectible. The Organization considers unconditional promises to give to be fully collectible; accordingly, no allowance for doubtful promises to give is deemed necessary.

**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, 2021 and 2020.

**Dignity Period, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

**Support and Revenue**

Contributions and grants are recorded as received, and unconditional promises to give are recorded as the promise is made. 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. Conditional promises to give are recognized when the conditions on which they depend are substantially met. 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 \$1,098 and \$19,825 for the years ended December 31, 2021 and 2020, respectively.

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 \$1,658 and \$5,046 for the years ended December 31, 2021 and 2020, respectively.

**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.

**Dignity Period, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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 2018 and later remain subject to examination by taxing authorities.

**Subsequent Events**

The Organization has evaluated subsequent events through July 29, 2022, the date the financial statements were available to be issued.

**3. Fair Value Measurements**

The framework for measuring fair value establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into Levels 1, 2, and 3. 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:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical instruments in active markets.
Level 2	Inputs to the valuation methodology to include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, inputs other than quoted prices that are observable for the instrument, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The instruments' 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.

Following is a description of the valuation methodologies used for instruments measured at fair value:

Level 1	Instruments consist of publicly traded bond funds. These securities are traded on national exchanges and are stated at the last reported sales price on the day of valuation.
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**Dignity Period, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

The following table presents the fair value measurements of instruments recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements are categorized at December 31, 2021:

	2021			
	Total	Fair Value Measurements		Level 3
		Level 1	Level 2	
Investments:				
Mutual funds:				
Vanguard Bond				
Funds	\$ 295,936	\$ 295,936	\$ -	\$ -
Total Investments	<u>\$ 295,936</u>	<u>\$ 295,936</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization did not have investment balances at December 31, 2020.

**4. Investments**

A summary of the cost and fair value of the Organization's investments as of December 31, is as follows:

	2021			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Mutual funds	\$ 300,000	\$ -	\$ (4,064)	\$ 295,936
	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ (4,064)</u>	<u>\$ 295,936</u>

The Organization did not have investment balances at December 31, 2020.

**5. Intangible Assets**

The carrying amounts and accumulated amortization of recognized intangible assets at December 31, 2021 and 2020 are as follows:

	2021		
	Carrying Amount	Accumulated Amortization	Net
Amortized intangible assets:			
Trademarks	\$ 1,301	\$ 622	\$ 679
Organizational costs	1,655	791	864
Promotional video costs	9,404	3,935	5,469
	<u>\$ 12,360</u>	<u>\$ 5,348</u>	<u>\$ 7,012</u>



**Dignity Period, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

	2020		
	Carrying Amount	Accumulated Amortization	Net
Amortized intangible assets:			
Trademarks	\$ 1,301	\$ 535	\$ 766
Organizational costs	1,655	680	975
Promotional video costs	9,404	3,306	6,098
	<u>\$ 12,360</u>	<u>\$ 4,521</u>	<u>\$ 7,839</u>

Intangible assets are being amortized over 15 years beginning on the date the costs were incurred. Amortization expense totaled \$827 for each of the years ended December 31, 2021 and 2020.

Amortization expense for the five years subsequent to 2021 is estimated to be as follows:

Years Ending December 31,

2022	\$ 825
2023	825
2024	825
2025	825
2026	825
	<u>\$ 4,125</u>

**Dignity Period, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

**6. Debt - Paycheck Protection Program**

During 2020, the Organization received a loan from Bank of America in the amount of \$22,048 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan was subject to a note dated May 1, 2020 and included a provision for forgiveness to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. The Organization applied for and has been notified that \$22,048 in eligible expenditures for payroll and other expenses described in the CARES Act and accrued interest of \$199 has been forgiven. Debt forgiveness is included in the accompanying statement of activities.

**7. Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets as of December 31, 2021 and 2020 reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 450,877	\$ 603,548
Unconditional promises to give	6,684	9,180
Investments	295,936	-
Contractual or donor-imposed restrictions:		
Donor restrictions	<u>(148,956)</u>	<u>(186,862)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 308,605</u>	<u>\$ 425,866</u>

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 Ethiopia and other areas based upon the needs of the programs as well as the cash available at the Organization level.

**8. Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Purpose restrictions		
For program activities in Ethiopia	\$ 129,909	\$ 167,753
For program activities in St. Louis	12,363	9,929
Time restrictions	<u>6,684</u>	<u>9,180</u>
	<u>\$ 148,956</u>	<u>\$ 186,862</u>

**Dignity Period, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

Assets released from restrictions for the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Released from restrictions of purpose	<u>\$ 93,801</u>	<u>\$ 40,988</u>

**9. 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. At December 31, 2021, there were cash balances of \$390,240 in excess of federally insured limits at the bank. The Organization performs ongoing credit evaluations of its donors and maintains allowances, as needed, for potential credit losses. Although the Organization is directly affected by the financial stability of its donor base, management does not believe significant credit risk exists at December 31, 2021.

**Concentrations**

Contributions from one donor was approximately 42 and 33 percent of the Organization's contributions during the years ended December 31, 2021 and 2020, respectively.

**Foreign Operations**

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

- Additional costs of compliance with government regulation and licensing requirements including tariffs and other trade barriers
- Expropriation, nationalization, and limitation on repatriation of earnings
- Fluctuations in foreign exchange rates
- Inflation
- Poverty and social inequality
- Social, political, and economic instability arising from unforeseen and uncontrollable circumstances

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Clashes between Eritrean and Federal Ethiopian troops, armed ethnic militias from the neighboring Amhara Region, and Tigray Regional forces in northern Ethiopia have forced the Organization to suspend some operations and to extend their usual outreach to incorporate helping meet other pressing needs of persons who have become internally displaced in this part of Ethiopia due to the current conflict.

**COVID and World Instability**

The COVID-19 pandemic, whose effects first became apparent in January 2020, has had and continues to have a broad negative impact on commerce and financial markets around the world. The U.S. market as well as global markets remain volatile from uncertainty caused by the pandemic and other global disruptors including war, poverty, climate change, and diminished, poorly-functioning global supply chains. With the deployment of vaccines and public health mobilization programs, high-income countries appear to be entering a gradual but uneven recovery. The situation in Africa generally and in Ethiopia specifically is less robust. The Organization's programs have therefore been expanded to assist in the provision of menstrual necessities in both Ethiopia and the United States.

As the pandemic changes evolves and the world economy remains unstable, organizations are experiencing unusual conditions, including, but not limited to, financial market volatility and the erosion of market value, deteriorating credit, liquidity concerns, increases in government intervention, increasing and decreasing unemployment, unusual consumer spending, increasing and decreasing inventory levels due to delays in supply channels, and reductions in production because of decreased demand and supply constraints. The continuation of these circumstances could have a prolonged negative impact on financial conditions and operational results.

Accordingly, the extent to which COVID-19 and world disorder may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of the pandemic or the world instability.

**10. Subsequent Event**

The Organization has evaluated subsequent events through July 29, 2022, the date the financial statements were available to be issued. Pads were ordered for distribution in the United States and paid for at the end of 2021. Delivery of the pads was delayed due to market instability and supply chain disruption and were not received until July 2022. Delayed receipt of these products will delay their distribution to girls and women through the Organization's programs.