

Dress for Success Cincinnati and Affiliate

**Consolidated Financial Statements with Supplementary Information
December 31, 2017 and 2016, and
Independent Auditors' Report**

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE
December 31, 2017 and 2016

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Independent Auditors' Report

The Board of Directors
Dress for Success Cincinnati and Affiliate
Cincinnati, Ohio

We have audited the accompanying consolidated financial statements of Dress for Success Cincinnati and Affiliate (non-profit organizations), which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dress for Success Cincinnati and Affiliate as of December 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Independent Auditor's Report
(Continued)**

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 13 to 18 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Barnes, Dennig & Co., Ltd.

May 2, 2018
Cincinnati, Ohio

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

**Consolidated Statements of Financial Position
December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 436,817	\$ 331,903
Pledges, grants and other receivables	59,587	17,464
Donated inventory	155,827	182,922
Prepaid expenses and other assets	11,826	9,262
Property and equipment, net	<u>46,629</u>	<u>48,686</u>
Total assets	<u><u>\$ 710,686</u></u>	<u><u>\$ 590,237</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 31,941	\$ 20,313
Straight-line rent liability	<u>91,467</u>	<u>97,223</u>
Total liabilities	<u>123,408</u>	<u>117,536</u>
Net Assets		
Unrestricted	349,949	363,496
Temporarily restricted	<u>237,329</u>	<u>109,205</u>
Total net assets	<u>587,278</u>	<u>472,701</u>
Total liabilities and net assets	<u><u>\$ 710,686</u></u>	<u><u>\$ 590,237</u></u>

See accompanying notes to consolidated financial statements

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

**Consolidated Statement of Activities
Year Ended December 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue			
Grants and contributions	\$ 251,301	\$ 183,340	\$ 434,641
Special events	235,211	-	235,211
Sales	188,751	-	188,751
Donated inventory	85,661	-	85,661
Fee for service and other	5,245	-	5,245
Released from restriction	55,216	(55,216)	-
	<u>821,385</u>	<u>128,124</u>	<u>949,509</u>
Total support and revenue			
Expenses			
Program	614,366	-	614,366
Management and general	87,758	-	87,758
Fundraising	132,808	-	132,808
	<u>834,932</u>	<u>-</u>	<u>834,932</u>
Total expenses			
Change in net assets	(13,547)	128,124	114,577
Net assets, beginning of year	<u>363,496</u>	<u>109,205</u>	<u>472,701</u>
Net assets, end of year	<u><u>\$ 349,949</u></u>	<u><u>\$ 237,329</u></u>	<u><u>\$ 587,278</u></u>

See accompanying notes to consolidated financial statements

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

**Consolidated Statement of Activities
Year Ended December 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue			
Grants and contributions	\$ 234,975	\$ 46,850	\$ 281,825
Special events	232,542	-	232,542
Sales	231,754	-	231,754
Donated inventory	151,532	-	151,532
Fee for service and other	4,597	-	4,597
Released from restriction	12,691	(12,691)	-
	<u>868,091</u>	<u>34,159</u>	<u>902,250</u>
Expenses			
Program	714,197	-	714,197
Management and general	98,118	-	98,118
Fundraising	120,665	-	120,665
	<u>932,980</u>	<u>-</u>	<u>932,980</u>
Change in net assets	(64,889)	34,159	(30,730)
Net assets, beginning of year	<u>428,385</u>	<u>75,046</u>	<u>503,431</u>
Net assets, end of year	<u>\$ 363,496</u>	<u>\$ 109,205</u>	<u>\$ 472,701</u>

See accompanying notes to consolidated financial statements

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

Consolidated Statements of Functional Expenses Years Ended December 31, 2017 and 2016

	2017				2016			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries and benefits	\$ 261,620	\$ 60,844	\$ 47,630	\$ 370,094	\$ 276,844	\$ 64,384	\$ 50,403	\$ 391,631
Clothing donated	114,674	-	-	114,674	171,903	-	-	171,903
Rent	96,106	5,339	5,339	106,784	101,541	5,641	5,641	112,823
Special events	-	-	52,881	52,881	-	-	51,095	51,095
Payroll taxes	25,711	5,980	4,681	36,372	25,200	5,860	4,588	35,648
Legal and professional	23,959	4,228	-	28,187	24,599	4,341	-	28,940
Telephone	20,661	2,583	2,582	25,826	23,207	1,290	1,288	25,785
Miscellaneous	10,462	654	1,962	13,078	3,863	241	725	4,829
Depreciation	10,868	604	603	12,075	17,131	952	951	19,034
Printing	5,911	232	5,447	11,590	15,251	847	847	16,945
Insurance	11,255	-	-	11,255	12,174	-	-	12,174
Supplies	7,933	441	440	8,814	13,640	758	757	15,155
Bank charges	-	4,184	2,790	6,974	-	8,378	-	8,378
Memberships and dues	4,411	1,646	527	6,584	2,992	598	399	3,989
Repairs and maintenance	5,444	143	144	5,731	5,747	319	320	6,386
Postage	1,331	532	3,460	5,323	1,030	412	2,678	4,120
Travel	3,758	209	208	4,175	3,591	211	423	4,225
Utilities	4,077	-	-	4,077	4,278	237	239	4,754
Consulting	3,896	-	80	3,976	8,007	3,432	-	11,439
Advertising	1,031	-	1,683	2,714	1,237	-	310	1,547
Bad debt expense	-	-	2,350	2,350	-	-	-	-
Meeting	1,258	139	1	1,398	1,962	217	1	2,180
Total expenses	\$ 614,366	\$ 87,758	\$ 132,808	\$ 834,932	\$ 714,197	\$ 98,118	\$ 120,665	\$ 932,980

See accompanying notes to consolidated financial statements

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

**Consolidated Statements of Cash Flows
Years Ended December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 114,577	\$ (30,730)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Bad debt expense	2,350	-
Non-cash change in donated inventory	27,095	20,269
Depreciation	12,075	19,034
Loss on disposal of assets	4,969	-
Changes in:		
Pledges, grants and other receivables	(44,473)	(11,225)
Prepaid expenses and other assets	(2,564)	(965)
Accounts payable and accrued expenses	11,628	82
Straight-line rent liability	<u>(5,756)</u>	<u>8,311</u>
Net cash provided (used) by operating activities	<u>119,901</u>	<u>4,776</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(14,987)</u>	<u>(8,086)</u>
Net change in cash and cash equivalents	104,914	(3,310)
Cash and cash equivalents, beginning of year	<u>331,903</u>	<u>335,213</u>
Cash and cash equivalents, end of year	<u><u>\$ 436,817</u></u>	<u><u>\$ 331,903</u></u>

See accompanying notes to consolidated financial statements

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

Notes to Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Dress for Success Cincinnati (DFSC) exists to help women who are endeavoring to enter the workforce by providing them with high quality, interview-appropriate clothing, as well as counseling on getting and keeping jobs and improving the economic well-being of themselves and their families. Its affiliate, Fourth Street Basement Boutique dba Portaluca (Portaluca), is a social enterprise located in downtown Cincinnati that sells donated clothing; the net proceeds are transferred to Dress for Success Cincinnati.

Principles of Consolidation

The consolidated financial statements include the accounts of Dress for Success Cincinnati and Portaluca (collectively, the Organization), an affiliate controlled by Dress for Success Cincinnati. All significant inter-organizational balances and transactions have been eliminated.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets which have no donor-imposed restriction; temporarily restricted net assets which have donor-imposed restrictions that will expire in the future; and permanently restricted net assets which have donor-imposed restrictions which do not expire. There were no permanently restricted net assets at December 31, 2017 and 2016.

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2017 and 2016, cash equivalents consisted primarily of money market deposit accounts. The Organization maintains its cash in bank deposit accounts which may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

Donated Inventory

Inventory donated to DFSC, which consists primarily of women's clothes used in its programs, is recorded at fair value. Other items of clothing that are donated to DFSC which cannot be used in its programs are not recorded, but are transferred and recorded by Portaluca for sale.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair value at the date of receipt. Depreciation is computed on a straight-line basis over an estimated useful life of the respective assets. The cost of maintenance and repairs are expensed as incurred, while significant improvements are capitalized.

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

Notes to Consolidated Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

The Organization records gifts of cash and other assets at their fair value as of the date of contribution. Such donations are recorded as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue. Conditional promises to give are recognized as revenues when the conditions on which they depend are substantially met. Any such contributions where funds are received by the Organization are reported as deferred revenue on the statement of financial position until the condition is met.

Donated Services

The Organization records donated services as revenues in the period received only if the services received create or enhance non-financial assets or required specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the notes to the consolidated financial statements. Expenses have been classified based upon the actual direct expenditures and cost allocations based upon estimates of time spent by the Organization's personnel.

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

Notes to Consolidated Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Ohio law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization's IRS Form 990s are subject to review and examination by federal and state authorities. The Organization believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

In preparing its financial statements, the Organization has evaluated events subsequent to the statement of financial position date through May 2, 2018, which is the date the financial statements were available to be issued.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment at December 31 consisted of the following:

	2017	2016
Furniture and fixtures	\$ 48,930	\$ 80,495
Vehicles	34,089	34,089
Computer hardware and software	26,931	38,696
Leasehold improvements	21,598	24,564
	131,548	177,844
Accumulated depreciation	(84,919)	(129,158)
	<u>\$ 46,629</u>	<u>\$ 48,686</u>

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

Notes to Consolidated Financial Statements (Continued)

NOTE 3 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31 are available for the following purposes or periods:

	<u>2017</u>	<u>2016</u>
Technology	\$ 101,604	\$ 47,722
Going Places Network	79,395	-
ACT assessments	25,968	25,968
Mobile unit	12,377	17,677
Client assistance and incentives	12,195	8,488
For periods after December 31	5,000	7,350
Mobile phones and minutes	790	2,000
	<u>\$ 237,329</u>	<u>\$ 109,205</u>

NOTE 4 OPERATING LEASES

The Organization leases office and retail space under noncancelable leases that expire in various years through 2024. One lease calls for escalating rental payments to be made over the life of the lease. The straight-line annual rental expense is \$102,732 per year. Rent expense for these leases included in the statement of activities was \$106,784 in 2017 and \$112,823 in 2016.

Future minimum lease payments at December 31 were:

2018	\$ 109,687
2019	112,430
2020	115,240
2021	118,121
2022-2024	<u>286,627</u>
	<u>\$ 742,105</u>

NOTE 5 CONCENTRATION

One special event, The Fashion Show, comprised approximately 24% and 21% of total support and revenue for 2017 and 2016, respectively.

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

Notes to Consolidated Financial Statements (Continued)

NOTE 6 FUNCTIONAL EXPENSES

The Organization receives support from various fundraising events and other campaigns. Support and revenues recognized for special events and contributions exceeded total fundraising costs by \$246,113 and \$255,170 in 2017 and 2016, respectively. Excluding fundraising costs, the allocation of operating expenses to program services and management and general is summarized as follows:

	<u>2017</u>	<u>2016</u>
Program	90%	88%
Management and general	<u>10%</u>	<u>12%</u>
	<u>100%</u>	<u>100%</u>

NOTE 7 RECENTLY ADOPTED ACCOUNTING STANDARDS UPDATE

On August 18, 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The standard aims to improve nonprofit financial statements in an effort to provide more useful information to donors, grantors, creditors and other users. Major components of this standard include: net asset classifications, liquidity and availability of cash and consistency in reporting expenses. Net asset classifications will be reduced from three classes (unrestricted, temporarily restricted and permanently restricted) to two: net assets with donor restrictions and net assets without donor restrictions. Updated disclosure requirements will be presented regarding risk exposure and availability of cash for short term use. Expenses will be reported by both their natural and functional classification to aid in the usefulness of financial statements. This standard will be effective for the Organization's calendar year ending December 31, 2018.

On May 28 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard will be effective for the calendar year ending December 31, 2019.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the calendar year ending December 31, 2020.

The Organization is currently in the process of evaluating the impact of adoption of these ASUs on the financial statements.

SUPPLEMENTARY INFORMATION

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

**Consolidating Statement of Financial Position
December 31, 2017**

	<u>Dress for Success</u>	<u>Portaluca</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets				
Cash and cash equivalents	\$ 352,160	\$ 84,657	\$ -	\$ 436,817
Pledges, grants and other receivables	59,587	-	-	59,587
Donated inventory	96,244	59,583	-	155,827
Prepays and other assets	8,905	2,921	-	11,826
Property and equipment, net	41,883	4,746	-	46,629
	<u>\$ 558,779</u>	<u>\$ 151,907</u>	<u>\$ -</u>	<u>\$ 710,686</u>
Total assets				
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 28,332	\$ 3,609	\$ -	\$ 31,941
Straight-line rent liability	60,197	31,270	-	91,467
	<u>88,529</u>	<u>34,879</u>	<u>-</u>	<u>123,408</u>
Total liabilities				
Net Assets				
Unrestricted	232,921	117,028	-	349,949
Temporarily restricted	237,329	-	-	237,329
	<u>470,250</u>	<u>117,028</u>	<u>-</u>	<u>587,278</u>
Total net assets				
Total liabilities and net assets	<u>\$ 558,779</u>	<u>\$ 151,907</u>	<u>\$ -</u>	<u>\$ 710,686</u>

See independent auditors' report.

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

**Consolidating Statement of Financial Position
December 31, 2016**

	<u>Dress for Success</u>	<u>Portaluca</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets				
Cash and cash equivalents	\$ 241,051	\$ 90,852	\$ -	\$ 331,903
Pledges, grants and other receivables	17,464	-	-	17,464
Donated inventory	100,182	82,740	-	182,922
Prepaid expenses and other assets	6,341	2,921	-	9,262
Property and equipment, net	<u>37,839</u>	<u>10,847</u>	<u>-</u>	<u>48,686</u>
Total assets	<u>\$ 402,877</u>	<u>\$ 187,360</u>	<u>\$ -</u>	<u>\$ 590,237</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 14,265	\$ 6,048	\$ -	\$ 20,313
Striaight-line rent liability	<u>63,782</u>	<u>33,441</u>	<u>-</u>	<u>97,223</u>
Total liabilities	<u>78,047</u>	<u>39,489</u>	<u>-</u>	<u>117,536</u>
Net Assets				
Unrestricted	215,625	147,871	-	363,496
Temporarily restricted	<u>109,205</u>	<u>-</u>	<u>-</u>	<u>109,205</u>
Total net assets	<u>324,830</u>	<u>147,871</u>	<u>-</u>	<u>472,701</u>
Total liabilities and net assets	<u>\$ 402,877</u>	<u>\$ 187,360</u>	<u>\$ -</u>	<u>\$ 590,237</u>

See independent auditors' report.

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

Consolidating Statement of Activities Year Ended December 31, 2017

	Dress for Success			Portaluca			Eliminations	Consolidated		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total		Unrestricted	Temporarily Restricted	Total
Support and revenue										
Grants and contributions	\$ 285,840	\$ 183,340	\$ 469,180	\$ 461	\$ -	\$ 461	\$ (35,000)	\$ 251,301	\$ 183,340	\$ 434,641
Special events	235,211	-	235,211	-	-	-	-	235,211	-	235,211
Sales	-	-	-	188,751	-	188,751	-	188,751	-	188,751
Donated inventory	108,818	-	108,818	(23,157)	-	(23,157)	-	85,661	-	85,661
Fee for service	5,245	-	5,245	-	-	-	-	5,245	-	5,245
Released from restriction	55,216	(55,216)	-	-	-	-	-	55,216	(55,216)	-
Total support and revenue	<u>690,330</u>	<u>128,124</u>	<u>818,454</u>	<u>166,055</u>	<u>-</u>	<u>166,055</u>	<u>(35,000)</u>	<u>821,385</u>	<u>128,124</u>	<u>949,509</u>
Expenses	673,034	-	673,034	161,898	-	161,898	-	834,932	-	834,932
Transfer to Dress for Success	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>(35,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	17,296	128,124	145,420	(30,843)	-	(30,843)	-	(13,547)	128,124	114,577
Net assets, beginning of year	<u>215,625</u>	<u>109,205</u>	<u>324,830</u>	<u>147,871</u>	<u>-</u>	<u>147,871</u>	<u>-</u>	<u>363,496</u>	<u>109,205</u>	<u>472,701</u>
Net assets, end of year	<u>\$ 232,921</u>	<u>\$ 237,329</u>	<u>\$ 470,250</u>	<u>\$ 117,028</u>	<u>\$ -</u>	<u>\$ 117,028</u>	<u>\$ -</u>	<u>\$ 349,949</u>	<u>\$ 237,329</u>	<u>\$ 587,278</u>

See independent auditors' report.

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

Consolidating Statement of Activities Year Ended December 31, 2016

	Dress for Success			Portaluca			Eliminations	Consolidated		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total		Unrestricted	Temporarily Restricted	Total
Support and revenue										
Grants and contributions	\$ 252,128	\$ 46,850	\$ 298,978	\$ 2,847	\$ -	\$ 2,847	\$ (20,000)	\$ 234,975	\$ 46,850	\$ 281,825
Special events	232,542	-	232,542	-	-	-	-	232,542	-	232,542
Sales	-	-	-	231,754	-	231,754	-	231,754	-	231,754
Donated inventory	148,648	-	148,648	2,884	-	2,884	-	151,532	-	151,532
Fee for service	4,597	-	4,597	-	-	-	-	4,597	-	4,597
Released from restriction	12,691	(12,691)	-	-	-	-	-	12,691	(12,691)	-
Total support and revenue	650,606	34,159	684,765	237,485	-	237,485	(20,000)	868,091	34,159	902,250
Expenses	719,154	-	719,154	213,826	-	213,826	-	932,980	-	932,980
Transfer to Dress for Success	-	-	-	20,000	-	20,000	(20,000)	-	-	-
Change in net assets	(68,548)	34,159	(34,389)	3,659	-	3,659	-	(64,889)	34,159	(30,730)
Net assets, beginning of year	284,173	75,046	359,219	144,212	-	144,212	-	428,385	75,046	503,431
Net assets, end of year	\$ 215,625	\$ 109,205	\$ 324,830	\$ 147,871	\$ -	\$ 147,871	\$ -	\$ 363,496	\$ 109,205	\$ 472,701

See independent auditors' report.

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

Consolidating Statement of Functional Expenses Year Ended December 31, 2017

	Dress for Success				Portaluca				Consolidated						
	Program	Management and General		Fundraising	Total	Program	Management and General		Fundraising	Total	Program	Management and General		Fundraising	Total
		and General	Fundraising				Total	and General				Fundraising	Total		
Salaries and benefits	\$ 205,542	\$ 47,802	\$ 37,421	\$ 290,765	\$ 56,078	\$ 13,042	\$ 10,209	\$ 79,329	\$ 261,620	\$ 60,844	\$ 47,630	\$ 370,094			
Clothing donated	114,674	-	-	114,674	-	-	-	-	114,674	-	-	114,674			
Rent	59,135	3,285	3,285	65,705	36,971	2,054	2,054	41,079	96,106	5,339	5,339	106,784			
Special events	-	-	52,881	52,881	-	-	-	-	-	-	52,881	52,881			
Payroll taxes	19,788	4,602	3,603	27,993	5,923	1,378	1,078	8,379	25,711	5,980	4,681	36,372			
Legal and professional	17,565	3,100	-	20,665	6,394	1,128	-	7,522	23,959	4,228	-	28,187			
Telephone	18,905	2,363	2,363	23,631	1,756	220	219	2,195	20,661	2,583	2,582	25,826			
Miscellaneous	7,076	442	1,327	8,845	3,386	212	635	4,233	10,462	654	1,962	13,078			
Depreciation	8,798	489	488	9,775	2,070	115	115	2,300	10,868	604	603	12,075			
Printing	5,911	232	5,447	11,590	-	-	-	-	5,911	232	5,447	11,590			
Insurance	9,409	-	-	9,409	1,846	-	-	1,846	11,255	-	-	11,255			
Supplies	6,435	358	357	7,150	1,498	83	83	1,664	7,933	441	440	8,814			
Bank charges	-	-	-	-	-	4,184	2,790	6,974	-	4,184	2,790	6,974			
Memberships and dues	4,411	1,646	527	6,584	-	-	-	-	4,411	1,646	527	6,584			
Repairs and maintenance	2,899	76	77	3,052	2,545	67	67	2,679	5,444	143	144	5,731			
Postage	1,331	532	3,460	5,323	-	-	-	-	1,331	532	3,460	5,323			
Travel	3,758	209	208	4,175	-	-	-	-	3,758	209	208	4,175			
Utilities	540	-	-	540	3,537	-	-	3,537	4,077	-	-	4,077			
Consulting	3,896	-	80	3,976	-	-	-	-	3,896	-	80	3,976			
Advertising	970	-	1,583	2,553	61	-	100	161	1,031	-	1,683	2,714			
Bad debt expense	-	-	2,350	2,350	-	-	-	-	-	-	2,350	2,350			
Meeting	1,258	140	-	1,398	-	(1)	1	-	1,258	139	1	1,398			
Total expenses	\$ 492,301	\$ 65,276	\$ 115,457	\$ 673,034	\$ 122,065	\$ 22,482	\$ 17,351	\$ 161,898	\$ 614,366	\$ 87,758	\$ 132,808	\$ 834,932			

See independent auditors' report.

DRESS FOR SUCCESS CINCINNATI AND AFFILIATE

Consolidating Statement of Functional Expenses Year Ended December 31, 2016

	Dress for Success				Portaluca				Consolidated			
	Management				Management				Management			
	Program	and General	Fundraising	Total	Program	and General	Fundraising	Total	Program	and General	Fundraising	Total
Salaries and benefits	\$ 194,018	\$ 45,122	\$ 35,323	\$ 274,463	\$ 82,826	\$ 19,262	\$ 15,080	\$ 117,168	\$ 276,844	\$ 64,384	\$ 50,403	\$ 391,631
Clothing donated	171,903	-	-	171,903	-	-	-	-	171,903	-	-	171,903
Rent	61,027	3,390	3,391	67,808	40,514	2,251	2,250	45,015	101,541	5,641	5,641	112,823
Special events	-	-	51,095	51,095	-	-	-	-	-	-	51,095	51,095
Payroll taxes	16,350	3,802	2,977	23,129	8,850	2,058	1,611	12,519	25,200	5,860	4,588	35,648
Legal and professional	18,091	3,193	-	21,284	6,508	1,148	-	7,656	24,599	4,341	-	28,940
Telephone	21,052	1,170	1,169	23,391	2,155	120	119	2,394	23,207	1,290	1,288	25,785
Depreciation	13,941	775	774	15,490	3,190	177	177	3,544	17,131	952	951	19,034
Printing	15,034	835	835	16,704	217	12	12	241	15,251	847	847	16,945
Supplies	9,945	553	552	11,050	3,695	205	205	4,105	13,640	758	757	15,155
Insurance	8,659	-	-	8,659	3,515	-	-	3,515	12,174	-	-	12,174
Consulting	8,007	3,432	-	11,439	-	-	-	-	8,007	3,432	-	11,439
Bank charges	-	-	-	-	-	8,378	-	8,378	-	8,378	-	8,378
Repairs and maintenance	2,472	137	138	2,747	3,275	182	182	3,639	5,747	319	320	6,386
Miscellaneous	3,426	214	643	4,283	437	27	82	546	3,863	241	725	4,829
Utilities	222	12	13	247	4,056	225	226	4,507	4,278	237	239	4,754
Travel	3,591	211	423	4,225	-	-	-	-	3,591	211	423	4,225
Postage	1,030	412	2,678	4,120	-	-	-	-	1,030	412	2,678	4,120
Memberships and dues	2,992	598	399	3,989	-	-	-	-	2,992	598	399	3,989
Meeting	1,962	218	-	2,180	-	(1)	1	-	1,962	217	1	2,180
Advertising	758	-	190	948	479	-	120	599	1,237	-	310	1,547
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	\$ 554,480	\$ 64,074	\$ 100,600	\$ 719,154	\$ 159,717	\$ 34,044	\$ 20,065	\$ 213,826	\$ 714,197	\$ 98,118	\$ 120,665	\$ 932,980

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