NOT FOR SALE FUND

DECEMBER 31, 2016 AND 2015

FINANCIAL STATEMENTS

BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

NOT FOR SALE FUND

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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Not For Sale Fund:

Report on the Financial Statements

We have audited the accompanying financial statements of Not For Sale Fund (the Company), which comprise the balance sheet as of December 31, 2016 and 2015, and the related statements of operations of unrestricted net assets, changes in net assets and cash flows for the years 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 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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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 Not For Sale Fund as of December 31, 2016 and 2015, and the results of its operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bartlett, Pringle + Wolf, LLP

Santa Barbara, California
February 23, 2018

NOT FOR SALE FUND

BALANCE SHEET

December 31, 2016 and 2015

ASSETS

	2016	2015
Current Assets:		
Cash and cash equivalents	$ 314,816	$ 374,606
Accounts receivable	-	20,134
Pledges receivable, current portion	316,261	97,087
Total current assets	631,077	491,827
Property and Equipment:		
Computers, equipment, and software	30,330	29,208
Furniture and fixtures	10,375	10,375
	40,705	39,583
Less: accumulated depreciation	(38,205)	(33,275)
Net property and equipment	2,500	6,308
Other Assets:		
Pledges receivable, net of current portion	1,769,221	525,941
Security deposits	7,000	-
Total other assets	1,776,221	525,941
Total assets	$ 2,409,798	$ 1,024,076

See accompanying notes

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BALANCE SHEET

December 31, 2016 and 2015

LIABILITIES AND NET ASSETS

	2016	2015
Current Liabilities:		
Accounts payable	$ 20,739	$ 22,202
Accrued expenses	57,157	491,739
Total current liabilities	77,896	513,941
Net Assets:		
Unrestricted	1,496,607	468,635
Temporarily restricted	835,295	41,500
Total net assets	2,331,902	510,135
Total liabilities and net assets	$ 2,409,798	$ 1,024,076

See accompanying notes

NOT FOR SALE FUND

STATEMENT OF OPERATIONS OF UNRESTRICTED NET ASSETS

For the Years Ended December 31, 2016 and 2015

	2016	2015
Operating Income:		
Program income	$ 34,547	$ 96,658
Special events, net of related expenses of $27,073 and $17,629, in 2016 and 2015, respectively	35,680	163,064
Unrestricted contributions and grants	1,888,165	1,304,134
Net assets released from restrictions	41,500	206,294
Total operating income	1,999,892	1,770,150
Operating Expenses:		
Program expenses	27,427	149,471
Awards and grants	23,169	670,839
Contract services	75,314	91,268
Facilities and equipment	79,696	91,561
Operations	59,733	154,617
Agency expenses	18,782	28,356
Personnel	582,899	1,011,250
Travel	88,451	69,835
Depreciation	4,930	7,873
Total operating expenses	960,401	2,275,070
Income (loss) from operations	1,039,491	(504,920)
Other Income (Expense):		
Other income	21,365	3,643
Other expense	(32,884)	(7,949)
Total other expense	(11,519)	(4,306)
Increase (decrease) in unrestricted net assets	$ 1,027,972	$ (509,226)

See accompanying notes

NOT FOR SALE FUND
STATEMENT OF CHANGES IN NET ASSETS
For the Years Ended December 31, 2016 and 2015

	Unrestricted	Temporarily Restricted	Total
Net assets, December 31, 2014	$ 977,861	$ 206,294	$ 1,184,155
Decrease in unrestricted net assets	(509,226)		(509,226)
Restricted gifts, grants and bequests		41,500	41,500
Net assets released from restrictions		(206,294)	(206,294)
Change in net assets	(509,226)	(164,794)	(674,020)
Net assets, December 31, 2015	468,635	41,500	510,135
Increase in unrestricted net assets	1,027,972		1,027,972
Restricted gifts, grants and bequests		835,295	835,295
Net assets released from restrictions		(41,500)	(41,500)
Change in net assets	1,027,972	793,795	1,821,767
Net assets, December 31, 2016	$ 1,496,607	$ 835,295	$ 2,331,902

See accompanying notes

NOT FOR SALE FUND
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Change in net assets	$ 1,821,767	$ (674,020)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	4,930	7,873
(Increase) decrease in:		
Accounts receivable	20,134	22,956
Pledges receivable	(1,462,454)	78,941
Prepaid expenses	-	20,854
Security deposits	(7,000)	14,000
Increase (decrease) in:		
Accounts payable and accrued expenses	(436,045)	410,378
Net cash used by operating activities	(58,668)	(119,018)
Cash flows from investing activities:		
Purchase of software	(1,122)	-
Net cash used by investing activities	(1,122)	-
Net decrease in cash and cash equivalents	(59,790)	(119,018)
Cash and cash equivalents, beginning of year	374,606	493,624
Cash and cash equivalents, end of year	$ 314,816	$ 374,606

See accompanying notes

Note 1 - Organization and Operations

Not For Sale Fund (the Company), a non-profit corporation, was incorporated in 2006. The primary objectives and purposes of this corporation include, but are not limited to: the education and mobilization of individuals and institutions to abolish slavery and human rights violations around the globe. Additionally, the corporation may engage in any activities that are reasonably related to or in furtherance of its stated charitable purposes, or in any other charitable activities.

Note 2 - Summary of Significant Accounting Policies

A) Presentation

The Company has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605, *Contributions Received*, and ASC 958-205, *Financial Statements of Not-for-Profit Organizations*. ASC 958-205 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to donor imposed restrictions. ASC 958-605 requires that unconditional promises to give (pledges) be recorded as receivables and revenue and for the Company to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three net asset categories follows:

Unrestricted Net Assets

The unrestricted group of net assets represents unrestricted resources available for current support of Company activities.

Temporarily Restricted Net Assets

Temporarily restricted net assets include gifts, which may be fully expended but have been restricted by donors for certain purposes.

Permanently Restricted Net Assets

Permanently restricted net assets include gifts, which require by donor restriction that the corpus be invested in perpetuity and only the income be made available to the Company for use in accordance with donor restriction. As of December 31, 2016 and 2015, the Company did not possess any permanently restricted net assets.

B) Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

Note 2 - Summary of Significant Accounting Policies (Continued)

C) Basis of Accounting for Receivables

Accounts receivable and pledges receivable are carried at their estimated collectible amount. Management periodically evaluates receivables for collectability and records an allowance for any amounts estimated to be uncollectible. There was no allowance for uncollectible accounts at December 31, 2016 and 2015.

D) Property and Equipment

Property and equipment acquisitions are recorded at cost, or if donated, at fair value at the date of donation. Depreciation is provided over the estimated useful lives of the respective assets on the straight-line basis.

The estimated useful lives of the assets are as follows:

Computers, equipment, and software	3-5 years
Furniture and fixtures	7 years

E) Donor Restrictions

The Company reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires in the same year the gift is received, the gift is presented as unrestricted support on the financial statements.

The Company reports gifts of property and equipment (or other long-lived assets) as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. 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.

F) Donated Services

A substantial number of other volunteers, including the Board of Directors, have donated significant amounts of their time to the Company. However, no amounts are reflected in the financial statements for these other donated services since no objective basis is available to measure the value of such services.

G) Income Taxes

The Company is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Code.

Note 2 - Summary of Significant Accounting Policies (Continued)

H) Equity-Method Investment

As of December 31, 2016 and 2015, the Company had a non-controlling interest, consisting of 1.12% and 0.78% ownership in REBBL. This investment is accounted for under the equity method with the Company's pro rata share of the investee's operating results included in other expense in the statement of operations of unrestricted net assets. For the years ended December 31, 2016 and 2015, the investee reported losses in excess of the capital contributions. Accordingly, no equity-method investment is presented in the balance sheet for the years ended December 31, 2016 and 2015 since the Company's investment is valued at zero.

I) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J) Fair Value of Financial Instruments

The estimated fair values of the Company's short term financial instruments, including cash, cash equivalents, accounts receivable and accounts payable arising in the ordinary course of business, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization.

Note 3 - Pledges Receivable

Unconditional promises are included in the financial statements as pledges receivable. The pledges have been recorded at their net present value, calculated over the pledge period at a discount rate of 3%.

Below is a schedule of the present value of unconditional promises to be realized in the years ended December 31st:

2017	$	316,261
2018		282,780
2019		274,542
2020		266,547
2021		258,783
Thereafter		686,569
Total	$	2,085,482

Note 4 - Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2016 and 2015 are available for the following purposes or periods:

	2016	2015
Available after December 31, for:		
Bay Area Reinvent Project	$ 12,875	$ 41,500
Direct Service Programming - Vietnam	822,420	-
Total	$ 835,295	$ 41,500

Note 5 - Assets Released from Donor Restrictions

Net assets during 2016 and 2015 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	2016	2015
Purpose restrictions accomplished:		
Cambodia	$ -	$ 279
Juniper Networks	-	206,015
Bay Area Reinvent Project	41,500	-
Total assets released from donor restrictions	$ 41,500	$ 206,294

Note 6 - Leases

On January 29, 2014, the Company subleased an office from a related party under a five-year lease ending January 29, 2019 with a base rent of $7,000 per month. This base rent is based on the use of a set number of seats at a specific rate within the office, discussed further in Note 8. Midway through 2016, the rental agreement was modified to reduce rental payments as headcount was lowered substantially.

The following is a schedule of future annual minimum rental payments as of December 31, 2016.

Year Ending December 31	Lease Commitment
2017	$ 84,000
2018	84,000
2019	7,000
	$ 175,000

Rent expense, including parking and utilities, was $64,900 and $87,600 for the years ended December 31, 2016 and 2015, respectively.

Note 7 - Line of Credit

The Company has a $5,000 revolving line of credit with US Bank. The interest rate as of December 31, 2016 and 2015 was 21.90%. The line is unsecured. The outstanding balance on the line of credit was $0 at December 31, 2016 and 2015.

Note 8 - Related Party Transactions

Just Business, LLC

Multiple members of management are on the Board of Directors of Just Business, LLC. Payments to Just Business, LLC for rent expense in 2016 and 2015, in addition to consulting services rendered during fiscal years ended December 31, 2016 and 2015, were $89,000 and $77,950, respectively.

Trademark License Agreement

The Company has entered into a Trademark Licensing Agreement with REBBL (formerly Headwaters Natural Products). As previously mentioned, the Company is an investor in REBBL. Under the agreement, REBBL has rights to use trademarks in connection with the sale of their products. In consideration of the arrangement, REBBL has agreed to pay 2.5% of net sales plus 50% of excess operating profit during such period. During the fiscal years ended December 31, 2016 and 2015, the Company received $130,360 and $28,721 in connection with this agreement.

Note 9 - Commitments

Agreement with Volunteers For Children Development Foundation (VCDF) Thailand

The Company entered into a grant agreement with VCDF Thailand. The agreement was entered into on December 30, 2015 and ended on December 31, 2016. The Company agreed to provide $80,000 in funding to cover the costs of education, vocational training, administrative costs, and daily operations funding for the Chiang Saen Children's Home. The funding was paid by the Company in twelve monthly installments beginning January 1, 2016. As of December 31, 2015, the total amount of $80,000 is included within accrued expenses on the balance sheet. As of December 31, 2016, the commitments associated with this agreement had been paid out.

Note 9 - Commitments (Continued)

Agreement with Stichting

The Company has entered into a grant agreement with Stichting. The agreement was entered into on December 30, 2015 and ended on December 31, 2016. The Company agreed to provide $125,000 in funding to cover the costs of the operations of Not For Sale Netherlands and to support survivors of human trafficking. The funding was paid by the Company in twelve monthly installments beginning January 1, 2016. As of December 31, 2015, the total amount of $125,000 is included within accrued expenses on the balance sheet. As of December 31, 2016, the commitments associated with this agreement had been paid out.

Agreement with Generatie Tanara (GTR) Romania

The Company entered into a grant agreement with GTR Romania. The agreement was entered into on December 30, 2015 and ended on December 31, 2016. The Company agreed to provide $125,000 in funding to cover the costs of the operations of the THB Program and the Calacea Children's Home. The funding was paid by the Company in twelve monthly installments beginning January 1, 2016. As of December 31, 2015, the total amount of $125,000 is included within accrued expenses on the balance sheet. As of December 31, 2016, the commitments associated with this agreement had been paid out.

Agreement with Blue Dragon Children's Foundation Vietnam

The Company entered into a grant agreement with Blue Dragon Children's Foundation Vietnam. The agreement was entered into on December 30, 2015 and ended on December 31, 2016. The Company agreed to provide $80,000 in funding to cover the costs of operating the Safe House and to support survivors of human trafficking. The funding was paid by the Company in twelve monthly installments beginning January 1, 2016. As of December 31, 2015, the total amount of $80,000 is included within accrued expenses on the balance sheet. As of December 31, 2016, the commitments associated with this agreement had been paid out.

Note 10 - Income Tax Matters

The Company has adopted the provisions of Financial Accounting Standards Board ASC Subtopic 740-10, Accounting for Uncertainty in Income Taxes. This provision clarified the accounting for uncertainty in income taxes recognized in the Company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management of the Company analyzed tax positions in all jurisdictions where the Company is required to file an income tax return and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

The Company files income tax returns in the U.S. federal jurisdiction and in the state of California. The Company is no longer subject to examinations by the U.S. federal tax authorities for the years before 2013 and by the state of California tax authorities for years before 2012.

Note 11 - Functional Expenses

The Company's operating expenses are allocated between the following functional categories:

	2016	2015
Program service expenses	$ 574,382	$ 1,595,266
Management and general expenses	208,140	404,019
Fundraising expenses	177,879	275,785
	$ 960,401	$ 2,275,070

Note 12 - Subsequent Events

In 2017, the Company received a $1,000,000 pledge receivable that will be received over a ten year period.

Subsequent events have been evaluated through February 23, 2018, the date the financial statements were available to be issued.