FINANCIAL STATEMENTS

Not For Sale Fund

YEAR ENDED DECEMBER 31, 2018

NOT FOR SALE FUND

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&CO.
Guiding Successful People

Killingworth
166 Route 81
Killingworth, Connecticut 06419
P: 860-663-0110

Shelton
1000 Bridgeport Avenue,
Suite 210
Shelton, Connecticut 06484
P: 203-925-9600

Principals
John A. Accavallo CPA
Darin L. Offerdahl MBA CPA
Kerry L. Emerson

Sandra M. Woodbridge CPA*
Dominic L. Cusano MBA CPA*
*indicates retired

INDEPENDENT AUDITORS' REPORT

Not For Sale Fund
25 Taylor Street, Office #720
San Francisco, CA 94102

We have audited the financial statements of Not For Sale Fund (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flow for the year then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Not For Sale Fund as of December 31, 2018, 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.

AO & COMPANY, LLC

Killingworth, Connecticut
January 18, 2020

NOT FOR SALE FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

		2018
Assets		
Current assets:		
Cash and cash equivalents	$	316,791
Pledges receivable, net		389,805
Notes receivable		14,259
Prepaid expenses		677
Total current assets		721,532
Property and equipment:		
Computers and equipment		34,643
Furniture and fixtures		12,097
		46,740
Less: accumulated depreciation		(42,362)
Net property and equipment		4,378
Other assets:		
Pledges receivable, net		1,464,184
Security deposits		6,675
Total other assets		1,470,859
Total Assets	$	2,196,769
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$	13,280
Accrued expenses		141,315
Total current liabilities		154,595
Net assets:		
Without donor restrictions		1,128,029
With donor restrictions:		
Purpose restrictions		914,145
Total net assets		2,042,174
Total Liabilities and Net Assets	$	2,196,769

The accompanying notes are an integral part of the financial statements.

NOT FOR SALE FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT:			
Contributions	$ 920,855	$ -	$ 920,855
Grant revenue	55,528	-	55,528
Program revenue	5,151	-	5,151
Investment income	807	-	807
Net assets released from restrictions	239,321	(239,321)	-
Total revenues and other support	1,221,662	(239,321)	982,341
EXPENSES:			
Program services:			
Campaigns	17,302	-	17,302
Survivor and At-Risk	1,310,350	-	1,310,350
Social enterprise	162,929	-	162,929
Total program services	1,490,581	-	1,490,581
Management and general	226,457	-	226,457
Fund raising	88,221	-	88,221
Total other expenses	314,678	-	314,678
Total expenses	1,805,259	-	1,805,259
Change in net assets	(583,597)	(239,321)	(822,918)
Net assets - beginning of year, as restated (See Note 10)	1,711,626	1,153,466	2,865,092
Net assets - end of year	$ 1,128,029	$ 914,145	$ 2,042,174

The accompanying notes are an integral part of the financial statements.

NOT FOR SALE FUND
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services				Supporting Services		
	Campaigns	Survivor and At-Risk	Social Enterprise	Total	Management and General	Development	Total
Grants and awards	$ -	$ 575,631	$ 1,900	$ 577,531	$ -	$ -	$ 577,531
Wages	4,119	337,603	35,471	377,193	135,096	28,091	540,380
Benefits and taxes	152	12,460	1,309	13,921	19,188	4,515	37,624
Occupancy costs	-	30,845	-	30,845	9,966	6,644	47,455
Professional services	-	27,838	1,254	29,092	8,251	6,078	43,421
Contractors	5,010	60,367	67,148	132,525	2,705	-	135,230
Travel costs	6,232	88,480	48,045	142,757	2,934	27,881	173,572
Depreciation and amortization	-	1,186	-	1,186	359	251	1,796
Conferances	-	4,050	-	4,050	786	1,209	6,045
Office & administrative expenses	-	1,058	3,331	4,389	12,332	4,180	20,901
Supplies	789	2,095	3,264	6,148	471	371	6,990
Insurance	-	5,450	-	5,450	1,464	1,220	8,134
Advertising	1,000	267	1,207	2,474	25,109	7,781	35,364
Bad debts	-	159,750	-	159,750	-	-	159,750
Banking fees	-	3,270	-	3,270	-	-	3,270
Dues and subscriptions	-	-	-	-	7,796	-	7,796
Total expenses	$ 17,302	$ 1,310,350	$ 162,929	$ 1,490,581	$ 226,457	$ 88,221	$ 1,805,259

The accompanying notes are an integral part of the financial statements.

NOT FOR SALE FUND
STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash flows from operating activities:	
Total change in net assets	$ (822,918)
Adjustments to reconcile total change in net assets to change in cash from operating activities:	
Depreciation	1,797
Changes in operating assets and liabilities:	
Notes receivable	(14,259)
Pledges receivable	467,302
Prepaid expenses	5,823
Security deposits	325
Accounts payable	5,531
Accrued expenses	40,848
Net change in cash from operating activities	(315,551)
Cash flows from investing activities:	
Purchases of property and equipment	(4,061)
Net change in cash from investing activities	(4,061)
Change in cash and cash equivalents	(319,612)
Cash and cash equivalents, beginning of year	636,403
Cash and cash equivalents, end of year	$ 316,791

The accompanying notes are an integral part of the financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Not For Sale Fund (The Organization), 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.

Basis of Presentation

The Organizations financial statements have been prepared on the accrual basis of accounting. The financial statements report information regarding the Organization's financial position and activities according to the following net asset classifications:

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization’s or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Public Support and Revenue

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, if any, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor restricted contributions whose restrictions are met in the same reporting period have been reported as net assets without donor restrictions support in the statements of activities and changes in net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Promises to give that are scheduled to be received after the statement of financial position date, or which are restricted by the donor to a specific purpose, which has not been met as of the statement of financial position date, are shown as increases in net assets with donor restrictions. This revenue is reclassified to net assets without donor restrictions when the time or purpose restrictions are met.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash equivalents consist of highly liquid instruments with an original maturity of three months or less.

Pledges Receivable

Pledges receivable are recorded at fair value when received. Pledges to be paid over future periods are presented at the present value of estimated future cash flows using a historical discount rate of 5% at December 31, 2018. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the Organization statement of activities and changes in net assets.

Allowance for Doubtful Pledges

Management uses the allowance method to account for uncollectible pledges receivable. Management provides an allowance for uncollectible pledges equal to the estimated uncollectible portion of the pledge. Management's estimate is based on historical experience and its evaluation of the current status of the pledge. For the year ended December 31, 2018 management did not feel an allowance was necessary.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of $1,000 and having a useful life of greater than one year. Purchased property and equipment are carried at cost at date of acquisition. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives.

Estimated useful lives for financial reporting purposes are as follows:

	Years
Computers and equipment	3 - 5
Furniture and fixtures	7

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the changes in net assets for the period.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the organization. Those expenses include compensation, occupancy, professional fees, depreciation and office expenses. Compensation is allocated based on estimates of time. Occupancy expense is allocated based on the square footage of the space used. Professional fees are charged directly to the program receiving services. Depreciation, office, and IT expense are all allocated based on estimates of time and costs or specific services utilized.

Donated Goods and Services

Donated services are recognized as contributions, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided support and fundraising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under generally accepted accounting principles were not met.

Equity-Method Investment

As of December 31, 2018, The Organization had a non-controlling interest, consisting of 0.68% ownership in REBBL. This investment is accounted for under the equity method with The Organization'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 year ended December 31, 2018, 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, 2018 investment is valued at zero.

Fair Value of Financial Instruments

The Organization follows the Fair Value Measurements and Disclosures topic of the Accounting Standards Codification (FASB ASC 820), which defines fair value and establishes a framework for measuring fair value in accordance with generally accepted accounting principles. The topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The topic also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair values:

Level 1- Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2- Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3- Significant unobservable inputs that reflect the Organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and the disclosures. Actual results could differ from those estimates.

Tax Matters

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation. Accordingly, no provision has been made for income taxes.

The Organization 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 Organization'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 Organization analyzed tax positions in all jurisdictions where the Organization is required to file an income tax return and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

The Organization files income tax returns in the U.S. federal jurisdiction and in the state of California. The Organization is no longer subject to examinations by the U.S. federal tax authorities for years before 2015 and by the state of California tax authorities for years before 2014.

Dissolution Statement

In the event the Organization shall dissolve, the Board of Directors shall determine the distribution of the net assets. All assets and balances must be given to an organization created and operated exclusively for charitable purposes as described in Section 501(c)(3) of the Internal Revenue Code.

Concentration of Credit Risk

The Organization maintains cash in bank deposit accounts which at times may exceed federally insured limits. The Organization has not experienced any losses on such accounts and the Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Subsequent Events

Management has monitored and evaluated any subsequent events for footnote disclosure or adjustments required in the financial statements for the year ended December 31, 2018 through January 18, 2020, which is the date the financial statements were available to be issued.

New Accounting Pronouncement

On January 29, 2014, The Organization subleased an office from a related party under a five-year lease ending January 29, 2019, as discussed in Note 7. In September 2018, The Organization entered into a lease agreement for property located at 25 Taylor Street, San Francisco, California. Minimum monthly lease payments of $3,783 begin on October 1, 2018 and will continue for twelve months until the commitment expires on September 30, 2019, at which point the lease will automatically renew, unless terminated, on a month-to-month basis.

On May 18, 2019, The Organization entered into a lease agreement for property located at 1900 Powell St., 7th Floor, Emeryville, California. Minimum monthly lease payments of $720 per month with a $36 monthly discount begin on July 1, 2019, and will continue for 3 months until the commitment expires on September 30, 2019, at which point the lease will automatically renew, unless terminated, on a month-to-month basis. The lease was renewed on September 27, 2019, for a term of 6 months from October 1, 2019 to March 31, 2020, at which point the lease will automatically renew, unless terminated, on a month-to-month basis. Minimum monthly lease payments of $720 per month with a $108 monthly discount.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FUNDS

The financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

Cash	$ 316,791
Notes receivable	14,259
Pledges receivable, current	389,805
Total financial assets available to meet general expenditures within the next 12 months	$ 720,855

NOTE 3 -PLEDGES RECEIVABLE

Pledges receivable at December 31, 2018 are comprised of the following:

Pledges receivable - less than one year	$ 401,500
Pledges receivable - 1 to 5 years	1,495,000
Pledges receivable - more than 5 years	144,165
Total pledges receivable	2,040,665
Unamortized discount	(186,676)
Pledges receivable, net	$ 1,853,989
Less current portion of pledges receivable	$ 389,805
Non-current pledges receivable	$ 1,464,184

NOTE 4 - LEASE COMMITMENTS

On January 29, 2014, The Organization subleased an office from a related party under a five-year lease ending January 29, 2019, as discussed in Note 7. In September 2018, The Organization entered into a lease agreement for property located at 25 Taylor Street, San Francisco, California. Minimum monthly lease payments of $3,783 begin on October 1, 2018 and will continue for twelve months until the commitment expires on September 30, 2019, at which point the lease will automatically renew, unless terminated, on a month-to-month basis.

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NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent unspent contributions and donations that are restricted by donor-imposed stipulations.

Net assets with donor restrictions consist of the following for the year ended December 31, 2018:

Direct service programming - Uganda	$ 428,004
Direct service programming - Vietnam	486,141
	$ 914,145

Net assets released from donor restrictions during the year ended December 31, 2018 are as follows:

Direct service programming - Uganda	$ 102,406
Direct service programming - Vietnam	136,915
	$ 239,321

NOTE 6 - 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 2018, in addition to consulting services rendered during the year ended December 31, 2018 totaled $113,960.

Trademark License Agreement

The Organization has entered into a Trademark Licensing Agreement with REBBL (formerly Headwaters Natural Products). As previously mentioned, The Organization 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 year ended December 31, 2018, The Organization received $308,578 in connection with this agreement.

NOTE 7 - COMMITMENTS

Agreement with Volunteers For Children Development Foundation (VCDF) Thailand

The Organization entered into a grant agreement with VCDF Thailand. The agreement was entered into on January 1, 2018 and will end on December 31, 2018. The Organization 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 will be paid by The Organization in twelve monthly installments beginning January 1, 2018. As of December 31, 2018, $27,060 was included within accrued expenses on the balance sheet.

Agreement with Stichting

The Organization has entered into a grant agreement with Stichting. The agreement was entered into on January 1, 2018 and will end on December 31, 2018. The Organization 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 will be paid by The Organization in twelve monthly installments beginning January 1, 2018. As of December 31, 2018, no amounts were included within accrued expenses on the balance sheet as the full commitment was paid prior to December 31, 2018.

Agreement with Generatie Tanara (GTR) Romania

The Organization entered into a grant agreement with GTR Romania. The agreement was entered into on January 1, 2018 and will end on December 31, 2018. The Organization 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 will be paid by The Organization in twelve monthly installments beginning January 1, 2018. As of December 31, 2018, no amounts were included within accrue commitment was paid prior to December 31, 2018.

Agreement with Blue Dragon Children's Foundation Vietnam

The Organization entered into a grant agreement with Blue Dragon Children's Foundation Vietnam. The agreement was entered into on January 1, 2018 and will end on December 31, 2018. The Organization 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 will be paid by The Organization in twelve monthly installments beginning January 1, 2018. As of December 31, 2018, $7,295 is included within accrued expenses on the balance sheet.

Agreement with Coburwas International Youth Organization to Transform Africa (CIYOTA)

The Organization entered into a grant agreement with Coburwas International Youth Organization to Transform Africa (CIYOTA). The agreement was entered into on January 9, 2018 and will end on December 31, 2018. The Organization agreed to provide $50,000 in funding to cover the programming costs for refugees, people affected by the extractive industries in the DRC, and people at-risk to and injured by human trafficking and forced labor. The funding will be paid by the Organization in twelve monthly installments beginning January 1, 2018. Of December 31, 2018, $3,187 is included within accrued expenses on the balance sheet.

Agreement with Ricardo Dawson Torres

The Organization entered into a grant agreement with Ricardo Dawson Torres. The agreement was entered into on January 9, 2018 and will end on August 31, 2018. The Organization agreed to provide $64,100 in funding to support and fund the Community Development in Santa Terista. The funding will be paid by the Organization in nine monthly installments beginning January 1, 2018. As of December 31, 2018, no amounts were included within accrue commitment was paid prior to December 31, 2018.

Agreement with Surfers Not Street Children

The Organization entered into a grant agreement with Surfers Not Street Children. The agreement was entered into on January 17, 2018 and will end on December 31, 2018. The Organization agreed to provide $33,000 in funding to support Student Housing & Volunteer Accommodation Center in Hoima, School renovation, leadership and entrepreneurship programming and to support survivors of human trafficking. The funding will be paid by the Organization in twelve monthly installments beginning January 17, 2018. Of December 31, 2018, $17,000 is included within accrued expenses on the balance sheet.

NOTE 8 - RETIREMENT BENEFITS

The Organization adopted a retirement plan in which substantially all employees are eligible to participate after three months of service. The Organization's contributions to the plan are at the discretion of the Board of Directors. Participants are immediately vested in both employee and employer contributions plus actual earnings thereon. The Organization did not make any contributions to the plan during the year ended December 31, 2018.

NOTE 9 - CHANGE IN ACCOUNTING PRINCIPAL AND PRIOR PERIOD ADJUSTMENT

Effective January 1, 2018 the Organization elected to implement the provisions of Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities.* This update addresses the complexity and understandability of net asset classification, deficiencies in information on about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The presentation of these financial statements has been adjusted accordingly. Net assets as of January 1, 2018 were restated by category with no impact on total as follows:

	Orginally Stated	Reclassification	Restated
Unrestricted	$ 1,711,626	$ (1,711,626)	$ -
Temporarily restricted	1,153,466	(1,153,466)	-
Without donor restrictions	-	1,711,626	1,711,626
With donor restrictions	-	1,153,466	1,153,466
Total Net Assets	$ 2,865,092	$ -	$ 2,865,092