



Period, Inc.

Cash Basis Financial Statements and Other Information
as of and for the Year Ended December 31, 2019
and Report of Independent Accountants

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REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors
Period, Inc.:*

We have audited the accompanying financial statements of Period, Inc., which comprise the statement of assets, liabilities, and net assets (cash basis) as of December 31, 2019, and the related statements of support, revenue, and expenses (cash basis), functional expenses (cash basis), and cash flows (cash basis) 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 the cash basis of accounting described in note 2 to the financial statements; this includes determining that the cash basis of accounting described in note 2 to the financial statements is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 organization'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 organization'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 qualified audit opinion.

Basis for Qualified Opinion

The organization does not maintain accounting records or controls that distinguish between donor-restricted and donor-unrestricted contributions. Due to the lack of such records and controls, we were unable to obtain sufficient appropriate audit evidence about the accuracy of the organization's reporting of donor-restricted contributions, their release from restriction, and the resulting classification of residual net assets with donor restrictions.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the *Basis for Qualified Opinion* paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and net assets of Period, Inc. as of December 31, 2019, and its support, revenue and expenses for the year then ended in accordance with the cash basis of accounting described in note 2.

Basis of Accounting

We draw attention to note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "CIGNET CO. LLP". The signature is stylized and cursive.

May 20, 2020

PERIOD, INC.

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS (CASH BASIS)

DECEMBER 31, 2019

Assets:	
Cash and cash equivalents	\$ 445,793
Certificates of deposit (<i>note 3</i>)	100,000
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Total assets	\$ 545,793
<hr/>	
Liabilities	
-	
<hr/>	
Total liabilities	-
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Net assets:	
Without donor restrictions	450,048
With donor restrictions (<i>note 4</i>)	95,745
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Total net assets	545,793
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Commitments and contingencies (<i>note 8</i>)	
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Total liabilities and net assets	\$ 545,793
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See accompanying notes to financial statements.

PERIOD, INC.

STATEMENT OF SUPPORT, REVENUE, AND EXPENSES (CASH BASIS)

YEAR ENDED DECEMBER 31, 2019

	Without donor restrictions	With donor restrictions	Total
Revenues, gains, and other support:			
Contributions and grants	\$ 513,053	99,104	612,157
Special events, less direct costs of \$81,841	169,162	–	169,162
Program service revenues	27,584	–	27,584
Other	1,512	–	1,512
Total revenues and gains	711,311	99,104	810,415
Net assets released from restrictions <i>(note 5)</i>	3,359	(3,359)	–
Total revenues, gains, and other support	714,670	95,745	810,415
Expenses <i>(note 6)</i>:			
Program services	390,518	–	390,518
Management and general	91,161	–	91,161
Fundraising	55,116	–	55,116
Total expenses	536,795	–	536,795
Increase (decrease) in net assets	177,875	95,745	273,620
Net assets at beginning of year	272,173	–	272,173
Net assets at end of year	\$ 450,048	95,745	545,793

See accompanying notes to financial statements.

PERIOD, INC.

STATEMENT OF FUNCTIONAL EXPENSES (CASH BASIS)

YEAR ENDED DECEMBER 31, 2019

		Supporting services		Total	
		Program services	Management and general		Fundraising
Salaries and related expenses	\$	110,081	30,417	50,295	190,793
Professional and contracted services		95,198	36,700	4,095	135,993
Volunteer stipends		17,409	–	–	17,409
Occupancy		11,248	11,285	–	22,533
Postage		10,379	53	–	10,432
Supplies		16,209	1,021	–	17,230
Program events and conferences		86,362	–	–	86,362
Travel		5,247	913	–	6,160
Insurance		10,700	2,005	–	12,705
Fees and licenses		2,830	2,567	–	5,397
Chapter grants		23,727	–	–	23,727
Other		1,128	6,200	726	8,054
Total expenses	\$	390,518	91,161	55,116	536,795

See accompanying notes to financial statements.

PERIOD, INC.

STATEMENT OF CASH FLOWS (CASH BASIS)

YEAR ENDED DECEMBER 31, 2019

Cash flows from operating activities:	
Cash received from contributions and grants	\$ 863,160
Cash received from service recipients and others	29,096
Cash paid to employees, suppliers, and grantees	(618,636)
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Net cash provided by operating activities	273,620
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Cash flows from investing activities:	
Purchase of certificates of deposit	(100,000)
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Net cash used in investing activities	(100,000)
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Net increase in cash and cash equivalents	173,620
Cash at beginning of year	272,173
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Cash at end of year	\$ 445,793

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2019

1. Organization

PERIOD is a nonprofit organization that was founded in 2014 by two 16-year-old high school students and strives to end period poverty and period stigma through service, education, and advocacy.

To date, PERIOD has addressed over 1 million periods through product distribution and registered over 700 PERIOD chapters in all 50 U.S. states and in over 40 countries.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the organization are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other generally accepted accounting principles (“GAAP”). The cash basis of accounting differs from GAAP in that certain revenues are recognized when received rather than earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Specifically, the variances from GAAP include the omission of accounts receivable, pledges receivable, inventories, accruals for expense obligations incurred, liabilities for revenues not yet earned, and the fair value of gifts in-kind. Such variances are presumed to be material.

Accordingly, the accompanying financial statements are not intended to present the organization’s financial position and results of operations in conformity with generally accepted accounting principles.

Principles of Consolidation – The accompanying financial statements include only the accounts and activities of Period, Inc. They do not include the accounts or transactions of the many school, community, and other chapters throughout the U.S. and the world founded and assisted by Period, Inc. These chapters and other organizations are governed by their own independent bodies and Boards.

Basis of Presentation – Net assets, revenues, gains and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Period, Inc. and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor-imposed stipulations. From time to time, the Board of Directors may designate from net assets for particular purposes and objectives.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of PERIOD and/or the passage of time. These balances represent the unexpended portion of donor-restricted contributions to be used for specific programs and activities as directed by the donor.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also 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 donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash Equivalents – For purposes of the financial statements, the organization considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Contributions – Contributions and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenue, and expenses (cash basis) as net assets released from restrictions.

Advertising Expenses – Advertising costs are charged to expense as incurred.

Concentrations of Credit Risk – The organization’s financial instruments consist primarily of cash and cash equivalents, which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (“FDIC”).

All checking accounts and certificates of deposit are insured by the FDIC for up to \$250,000 for each depositor, for each insured bank, for each account ownership category. At December 31, 2019, PERIOD held \$194,417, in excess of FDIC insurance.

Income Taxes – PERIOD is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. The organization derives its public charity status as an organization described in Sections 170(b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code.

Subsequent Events – Subsequent events have been evaluated by management through May 20, 2020, which is the date the financial statements were available to be issued.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

3. Certificates of Deposit

At December 31 2019, PERIOD held \$100,000 in certificates of deposit carried at cost.

4. Net Assets with Donor Restrictions

The following summarizes PERIOD’s net assets with donor-imposed restrictions as of December 31, 2019:

<i>Expendable net assets restricted for the following purposes:</i>		
Communications capacity	\$	81,500
Other purposes		14,245
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Total net assets with donor restrictions	\$	95,745
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5. Net Assets Released from Restrictions

During the year ended December 31, 2019, the organization incurred \$3,359 in expenses in satisfaction of the restricted purposes specified by the donors

6. Expenses

The costs of providing the various programs and activities of PERIOD have been summarized on a functional basis in the statement of support, revenue, and expenses (cash basis). Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses by natural classification are also presented in the statement of functional expenses.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the organization, and therefore require allocation on a reasonable basis that is consistently applied. Those expenses include salaries and wages and payroll taxes, which are allocated on the basis of estimates of time and effort and occupancy which is allocated on the basis of estimated use.

7. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year of the statement of financial position date comprise the following at December 31, 2019:

<i>Total financial assets available to fund general operations:</i>	
Cash and cash equivalents	\$ 445,793
Certificates of deposit	100,000
	<hr/>
	\$ 545,793

As part of its liquidity management, PERIOD has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

8. Subsequent Event – Coronavirus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including Oregon, have declared a public health state of emergency, ordering the public to stay at home, closing specified businesses, and requiring social distancing measures for most public and private facilities. PERIOD staff have been working remotely since March 13, 2020. The immediate effect of these measures on the organization has not been determined, however possible effects could include reduced operations and fundraising.

It is anticipated that the effects of these events will continue for some time, including continuing disruptions to or restrictions on our employees' ability to work and on the ability of our patrons and other constituents to fully participate in our programs and continue their current level of financial support to the organization. At the present time, the ultimate future effects of these matters are unknown.

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GOVERNING BOARD AND MANAGEMENT

Directors

Nancy Monsarrat, *Chair*

Mark Holloway, *Vice Chair*

Kirsten Brady, *Secretary*

Lester Thompson, *Treasurer*

Lisa Bisgard, M.D.

Alisia Ford

Heather Hardy

Ken Weber

Management

Michela Bedard, *Executive Director*

Nadya Okamoto, *Founder and Advocacy Director*

Dara Wilk, *Development Director*

PERIOD, INC.

INQUIRIES AND OTHER INFORMATION

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