

Financial Statements

ONE PURSE, INC.

December 31, 2024

ONE PURSE, INC.

Financial Statements

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(With Independent Auditor's Report Thereon)

ONE PURSE, INC.

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SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

Michael R. Schafer, CPA
Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 312
Maitland, Florida 32751
(407) 875-2760

Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

Independent Auditor's Report

The Board of Directors
One Purse, Inc.:

Opinion

We have audited the accompanying financial statements of One Purse, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One Purse, Inc. as of December 31, 2024, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of One Purse, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about One Purse, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Schatz, Tschoy, Whitcomb, Mitchell & Shulman, LLP

July 1, 2025
Maitland, Florida

ONE PURSE, INC.

Statement of Financial Position

December 31, 2024

Assets

Assets:

Cash and cash equivalents	\$ 714,921
Contributions receivable (note 4)	205,082
Inventory (note 3)	92,738
Other assets	23,911
Right of use asset (note 6)	31,567
Property and equipment, net (note 5)	2,438
Total assets	<u>\$ 1,070,657</u>

Liabilities and Net Assets

Liabilities:

Operating leases (note 6)	\$ 31,567
Accounts payable and accrued expenses	53,390
Deferred revenue	18,344
Total liabilities	<u>103,301</u>
Net assets without donor restrictions	<u>967,356</u>
Total liabilities and net assets	<u>\$ 1,070,657</u>

See accompanying notes to financial statements.

ONE PURSE, INC.

Statement of Activities

Year ended December 31, 2024

Revenue and other support:	
Proceeds from donated purse sales	\$ 87,492
Proceeds from purse sales	3,300
Contributions	471,463
Grants	307,567
Special events, less direct expenses of \$33,544	219,708
In kind contributions	140,123
Total revenue and other support	<u>1,229,653</u>
Expenses:	
Program services	687,966
General and administrative	155,881
Development	60,786
Total expenses	<u>904,633</u>
Change in net assets	325,020
Net assets at beginning of year	<u>642,336</u>
Net assets at end of year	<u><u>\$ 967,356</u></u>

See accompanying notes to financial statements.

ONE PURSE, INC.

Statement of Functional Expenses

Year ended December 31, 2024

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Development</u>	<u>Total</u>
Salaries and wages	\$ 278,287	92,317	29,423	400,027
Payroll taxes	22,298	7,397	2,358	32,053
Payroll fees	1,501	498	159	2,158
Total salaries and related expenses	<u>302,086</u>	<u>100,212</u>	<u>31,940</u>	<u>434,238</u>
Products distributed	89,049	-	-	89,049
Assistance and grants	142,833	-	-	142,833
Contract labor	73,789	19,411	8,173	101,373
Merchant/ Platform fees	11,045	225	7,112	18,382
Advertising	9,072	357	3,061	12,490
Information technology	5,472	1,770	3,210	10,452
Office supplies	5,086	1,122	1,160	7,368
Professional fees	-	12,325	-	12,325
Office rent	25,850	4,847	1,616	32,313
Travel	4,216	1,133	2,112	7,461
Insurance	2,629	1,130	164	3,923
Conferences and meetings	352	17	63	432
Program supplies	6,928	-	-	6,928
Repairs and maintenance	47	9	3	59
Utilities	6,646	1,246	415	8,307
Bad debts	-	4,500	-	4,500
Miscellaneous	2,203	7,400	1,713	11,316
Total expenses before depreciation	<u>687,303</u>	<u>155,704</u>	<u>60,742</u>	<u>903,749</u>
Depreciation	<u>663</u>	<u>177</u>	<u>44</u>	<u>884</u>
Total expenses	<u><u>\$ 687,966</u></u>	<u><u>155,881</u></u>	<u><u>60,786</u></u>	<u><u>904,633</u></u>

See accompanying notes to financial statements.

ONE PURSE, INC.

Statement of Cash Flows

Year ended December 31, 2024

Cash flows from operating activities:	
Change in net assets	\$ 325,020
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	884
Net change in cash flows from changes in:	
Contributions receivable	50,607
Inventory	(35,425)
Other assets	3,166
Accounts payable and accrued expenses	28,117
Deferred revenue	18,344
Net cash provided by operating activities	<u>390,713</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(2,925)</u>
Cash used in investing activities	<u>(2,925)</u>
Net increase in cash and cash equivalents	387,788
Cash and cash equivalents at beginning of year	<u>327,133</u>
Cash and cash equivalents at end of year	<u><u>\$ 714,921</u></u>

See accompanying notes to financial statements.

ONE PURSE, INC.

Notes to Financial Statements

December 31, 2024

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

One Purse, Inc. (the Organization) was incorporated as a not-for-profit organization to empower women overcoming abuse, addiction, exploitation and trafficking on their journey to wholeness and economic freedom. In collaboration with our strategic partners, our Employment, Education and Empowerment programs eliminate barriers to economic freedom for vulnerable women in our community and nationwide.

Employment: One Purse employs women in The rePURPOSE Project to run an e-commerce purse shop, reselling donated designer purses. Through this program women learn in-demand job skills in a professional, trauma informed workplace. Revenue from this social enterprise is reinvested to help support our programs.

Education: The Restore Her Dream Fund is a scholarship program offering resources for college tuition, vocational training and education resources. Women are referred to this program through our service partner network and must have a letter of recommendation to apply.

Empowerment: All women served through One Purse are offered access to our empowerment curriculum, The Dream Cycle Series, where they learn life and heart skills through in-person training communities and virtual cohorts.

(b) Basis of Accounting

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

The Organization has adopted the provisions of FASB Accounting Standards Codification Topic 958, Not-for-Profit Entities.

The Organization prepares its financial statements on an entity wide basis, focusing on the organization as a whole and presents balances and transactions according to the existence or absence of donor-imposed restrictions. Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

ONE PURSE, INC.

Notes to Financial Statements

December 31, 2024

(1) Organization and Summary of Significant Accounting Policies - Continued

(b) Basis of Accounting - Continued

- Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment.

Other donor-imposed restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

Under generally accepted accounting principles, contributions are generally recognized as revenue when the gift is made and are recorded as with or without donor restrictions, depending on the presence or absence and type of donor-imposed restrictions or conditions.

Revenue and other support 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 unless their use is limited by donor-imposed restrictions. Expirations with donor 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, are reported as support without donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenue in the period made or received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

(c) Proceeds from Donated Purses

Donated purses are ultimately sold and are valued according to the actual cash proceeds (which is net of associated fees) on their disposition.

ONE PURSE, INC.

Notes to Financial Statements

December 31, 2024

(1) Organization and Summary of Significant Accounting Policies - Continued

(d) Cash and Cash Equivalents

The Organization places its cash balances in a highly rated financial institution located within the State of Florida. The balances are insured by the Federal Deposit Insurance Corporation up to certain limits and, at times, cash in bank may exceed FDIC insurance limits. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(e) Unconditional Promises to Give

Unconditional promises to give, less an allowance for uncollectible accounts, are recognized as revenues in the period received. Unconditional promises to give, that are yet to be received are recorded as contributions receivable and discounted, using a market discount rate, to present value for collections expected in future years. Accretion of the discount in subsequent years is also recorded as contribution revenue.

(f) Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Purchased property and equipment are stated at cost.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. The estimated useful lives range from three to seven years.

Additions and betterments are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

(g) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Program expenses

ONE PURSE, INC.

Notes to Financial Statements

December 31, 2024

(1) Organization and Summary of Significant Accounting Policies - Continued

(g) Functional Allocation of Expenses - Continued

include all direct and certain indirect expenses incurred in the Organization's meeting and fulfilling its mission statement. Program expenses include Employment, Education, and Empowerment which are further described in note 1 (a). The basis for allocating certain expenses is determined by management's best estimates and judgments and allocation of employee's labor costs and time in the following activities:

- Acquisition of purse donations for resale purposes
- Submission of request for purses by individuals and subsequent referrals

(h) 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 disclosures. Accordingly, actual results could differ from those estimates.

(i) Income Tax Status

The Organization is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization has implemented Accounting for Uncertainty in Income Taxes. The Organization tax returns for the years 2021 to 2023 are open for IRS examination. The Organization evaluates its tax position for uncertainties on a regular basis and has determined that it has no uncertain tax position as of December 31, 2024.

(j) Fair Value Measurements

ASC 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described as follows:

ONE PURSE, INC.

Notes to Financial Statements

December 31, 2024

(1) Organization and Summary of Significant Accounting Policies - Continued

(j) Fair Value Measurements - Continued

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement (including the Organization's own assumptions in determining the fair value of investments).

An asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(k) Subsequent Events

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through July 1, 2025, which is the date the financial statements were available to be issued.

(2) Liquidity and Availability

As of December 31, 2024, the Organization has \$890,300 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of December 31, 2024.

ONE PURSE, INC.

Notes to Financial Statements

December 31, 2024

(2) Liquidity and Availability - Continued

Cash and cash equivalents	\$ 714,921
Contributions receivable, due within one year	<u>175,379</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 890,300</u>

(3) Inventory

Inventory is comprised of purses, anticipated to be sold online that have been donated but have not been sold by December 31, 2024. The value of the purses is based on fair market value retail value. The value of the inventory to be sold is estimated based on expected net proceeds to be received upon disposition. As of December 31, 2024, the inventory value for purses was \$92,738. Additionally, purse inventory includes \$9,955 of purchased purses, at cost, as well as \$8,820 of donated computer equipment available for assistance and grants through The Restore Her Dream Fund.

(4) Contributions receivable

Contribution receivable, net of discount to present value (at a rate of 3%) and allowance for uncollectible contributions are as follows at December 31, 2024:

Contribution receivable in less than one year	\$ 175,379
Contribution receivable in one to five years	<u>43,000</u>
	218,379
Less: discount to present value	<u>(8,297)</u>
	210,082
Less: allowance for uncollectible contributions	<u>(5,000)</u>
Contribution receivable, net	<u>\$ 205,082</u>

The discount will be recognized as contribution income as the discount is amortized using an effective yield over the duration of the pledge.

ONE PURSE, INC.

Notes to Financial Statements

December 31, 2024

(5) Property and Equipment

Property and equipment consist of the following at December 31, 2024:

Furniture and equipment	\$ 9,362
Computers	10,299
	<hr/>
	19,661
Accumulated depreciation	(17,223)
	<hr/>
	\$ 2,438

(6) Adoption of FASB ASC 842

Effective January 1, 2022, the Organization adopted FASB ASC 842, Leases. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Organization also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets. The organization has a right to extend the lease for an additional year ended on June 30, 2025. This additional year has been taken into account in the lease calculation below as it is more likely than not that the Organization will extend the lease.

ONE PURSE, INC.

Notes to Financial Statements

December 31, 2024

(6) Adoption of FASB ASC 842 - Continued

The following table shows ROU assets and lease liabilities, and the associated financial statement line items as of December 31, 2024:

Lease-Related Assets and Liabilities

Right-of-use assets:	
Operating leases	<u>\$ 31,567</u>
Lease liabilities	<u>\$ 31,567</u>

Lease liability maturities as of December 31, 2024, are as follows:

2025	<u>\$ 31,567</u>
Total lease liabilities	<u>\$ 31,567</u>