

GIRLFORWARD

Financial Statements

December 31, 2021

GIRLFORWARD

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12

BARNES, GIVENS & BARNES, LTD.

CERTIFIED PUBLIC ACCOUNTANTS
200 EAST EVERGREEN AVENUE, SUITE 117
MOUNT PROSPECT, ILLINOIS 60056-3240
224-764-2442 FAX: 224-764-2448
bgbcpas.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
GirlForward

Opinion

We have audited the accompanying financial statements of GirlForward (an Illinois not-for-profit corporation) (the "Organization"), which comprise of the statement of financial position as of December 31, 2021, and the related statement 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 the Organization as of December 31, 2021, 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 the Organization 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 the Organization'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, including omissions, 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 the Organization'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Barnes, Givens & Barnes, Ltd.

Mount Prospect, Illinois
June 15, 2022

GIRL F O W A R D
Statement of Financial Position
December 31, 2021

ASSETS

Current Assets	
Cash	\$ 458,129
Grants receivable	84,609
Contributions receivable	16,350
Prepaid expense	4,300
	<hr/>
Total Current Assets	563,388
Property and Equipment, net	5,495
Other Assets	
Deposits	3,900
	<hr/>
Total Assets	<u><u>\$ 572,783</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 1,124
Accrued liabilities	6,782
	<hr/>
Total Liabilities	7,906
Net Assets	
Net assets without donor restrictions	564,877
	<hr/>
Total Liabilities and Net Assets	<u><u>\$ 572,783</u></u>

See Accompanying Notes to Financial Statements

GIRLFORWARD
Statement of Activities
For the Year Ended December 31, 2021

Support and Revenue	
Contributions	\$ 401,489
In-kind contributions	3,213
Grants	287,298
Special events	850
Special events expense	(190)
Interest income	4
PPP SBA grant	75,825
	<hr/>
Total Support and Revenue	768,489
	<hr/>
Expenses	
Programs	270,661
Management and general	64,317
Fundraising	111,254
	<hr/>
Total Expenses	446,232
	<hr/>
Change in Net Assets	322,257
Net Assets Without Donor Restrictions - Beginning of Year	242,620
	<hr/>
Net Assets Without Donor Restrictions - End of Year	\$ 564,877
	<hr/> <hr/>

See Accompanying Notes to Financial Statements

GIRLFORWARD

Statement of Functional Expenses
For the Year Ended December 31, 2021

	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 163,908	\$ 30,039	\$ 58,817	\$ 252,764
Employee benefits	13,778	3,075	5,425	22,278
Payroll taxes	12,693	2,242	4,396	19,331
Contract services	26,706	10,509	13,586	50,801
Depreciation	-	-	915	915
Communications	449	382	444	1,275
Insurance	3,712	928	1,547	6,187
Dues and subscriptions	-	210	170	380
Licenses and fees	250	831	-	1,081
Marketing	2,969	3,196	11,141	17,306
Membership database	-	-	2,596	2,596
Office expense	5,170	1,788	2,051	9,009
Professional fees	-	5,000	-	5,000
Program expense	14,862	-	-	14,862
Professional development	1,227	69	63	1,359
Rent	20,367	5,098	8,523	33,988
Travel	1,187	187	311	1,685
Utilities	3,383	763	1,269	5,415
Total Functional Expenses	<u>\$ 270,661</u>	<u>\$ 64,317</u>	<u>\$ 111,254</u>	<u>\$ 446,232</u>

See Accompanying Notes to Financial Statements

GIRLFORWARD
Statement of Cash Flows
For the Year Ended December 31, 2021

Cash Flows from Operating Activities	
Change in net assets	\$ 322,257
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-	
Depreciation	915
(Increase) decrease in assets-	
Grants receivable	(84,609)
Contributions receivable	(1,675)
Prepaid expense	(4,300)
Deposits	-
Increase (decrease) in liabilities-	
Accounts payable	(6,547)
Accrued liabilities	2,864
	228,905
Net Cash Provided by Operating Activities	228,905
Cash Flows from Investing Activities	
Purchases of property and equipment	(5,294)
	(5,294)
Net Cash (Used in) Investing Activities	(5,294)
Net Increase (Decrease) in Cash	223,611
Cash - Beginning of Year	234,518
Cash - End of Year	\$ 458,129

* * * * *

Supplemental Disclosure of Cash Flow Information -

Cash paid during the year for:

Interest	\$ -
Income taxes	\$ -

See Accompanying Notes to Financial Statements

GIRLFORWARD
Notes to Financial Statements
December 31, 2021

Note A – Organization and Nature of Activities

GirlForward (the “Organization”) is an Illinois not-for-profit organization and a community of support dedicated to creating and enhancing opportunities for girls who have been displaced by conflict and persecution.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and activities and the related disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are considered to be highly liquid depository accounts with a maturity of less than one year. Deposits held in all non-interest bearing transactional bank accounts and interest-bearing accounts are aggregated by entity and are fully insured up to \$250,000.

Receivables and Allowance for Doubtful Accounts

Receivables are uncollateralized customer obligations. Payments of accounts receivable are allocated to the specific invoices identified on the customer’s remittance or, if unspecified, investigated to identify the appropriate invoice to which to apply the payment.

Management reviews all individual customer accounts receivable balances that exceed ninety (90) days from invoice date and based on the assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Based upon these reviews, management believed all accounts receivable to be fully collectible and, accordingly, no allowance for uncollectible accounts receivable is reflected in the accompanying financial statements.

GIRLFORWARD
Notes to Financial Statements
December 31, 2021

Note B – Summary of Significant Accounting Policies (continued)

Fixed Assets

Property and equipment are carried at cost if purchased or fair value at the date of donation. Depreciation is computed using the straight-line method over five years. The Organization generally capitalizes property and equipment expenditures over \$1,000.

Maintenance and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to operations.

Contributions

Contributions, including unconditional promises to give, are reported at fair value when received. All contributions are available for unrestricted use unless explicit donor stipulations specify how or when the contributions may be used. Unconditional promises to give due in subsequent years are reported at the present value of the estimated future cash flows, using risk-adjusted interest rates applicable to those years in which the promises are to be received. Contributions that are subject to donor-imposed restrictions that are met in the same year as the contributions are made are recognized and reported as current year contributions and included in changes in net assets without donor restrictions.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets 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 (or certain grantor) restrictions. If the governing board were to designate from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment, those funds would also fall under this category.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

GIRLFORWARD
Notes to Financial Statements
December 31, 2021

Note B – Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

In the Statement of Functional Expenses, all expenses are allocated to the appropriate programs and supporting services on the basis of actual expense. Certain expenses that are joint among all programs are allocated evenly across all of the programs.

COVID-19 Impact

Management has evaluated the impact of the COVID-19 pandemic and has concluded that the net effect on the Organization's financial position, results of its operations, and cash flows were adversely affected. While the Organization was able to host in-person operations and smaller scale fundraisers there were still significant limitations to hosting large-scale events and gaining support from allied businesses. The Organization was able to leverage the support of individual donors and the community at large as well as secure new philanthropic foundation funding. Overall, Management considers the donor base to be strong and dedicated, which has allowed the Organization to recover and return to pre-pandemic funding levels as well as programmatic impact.

Note C - Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization files Form 990, Return of Organization Exempt from Income Tax with the Federal government. The Organization also files Form AG990-IL, Illinois Charitable Organization Annual Report with the Attorney General of the State of Illinois. Management has determined that the Organization has no income tax liability as of December 31, 2021. The Organization has evaluated its tax positions and determined it has no uncertain tax positions at December 31, 2021. The Organization's 2019-2021 tax years are open for examination by the IRS and State of Illinois. Should the Organization's tax-exempt status be challenged in the future, all years since inception could be subject to review by the IRS.

GIRLFORWARD
Notes to Financial Statements
December 31, 2021

Note D – Property and Equipment

Property and equipment consist of the following:

Furniture and fixtures	\$ 1,922
Computer equipment	7,388
Less: accumulated depreciation	<u>(3,815)</u>
Total	<u>\$ 5,495</u>

Depreciation expense for the year ended December 31, 2021 was \$915.

Note E– Leases

The Organization leases office space in Chicago under a three-year lease expiring on August 31, 2021. The monthly rent is \$3,900 with a three percent annual increase. A lease extension through August 31, 2024 has been exercised.

The estimated future minimum rental and lease obligation for the succeeding years under non-cancelable operating leases in effect as of December 31, 2021 are as follows:

<u>Year Ended December 31,</u>	
2022	\$ 52,116
2023	53,667
2024	<u>36,471</u>
	<u>\$ 142,254</u>

Rental expense on office space and storage for the year ended December 31, 2021 totaled \$33,988.

Note F – Donated Materials and Services

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed program supplies of \$3,213 were recognized as revenue for the year ended December 31, 2021. Numerous volunteers have donated significant amounts of time to the Organization. However, no amounts have been reflected in the financial statements for those services.

GIRLFORWARD
Notes to Financial Statements
December 31, 2021

Note G – Paycheck Protection Program Loan

On January 25, 2021, the Organization was granted a loan from Chase Bank in the aggregate amount of \$75,825, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. Funds from the Loan were used for payroll costs, costs used to continue group health care benefits, rent, and utilities. The Organization used the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. On January 10, 2022 the Organization was granted full forgiveness for this loan and has recorded \$75,825 as a PPP SBA Grant on the Statement of Activities.

Note H—Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts with donor-imposed purpose and time restrictions.

Financial assets, at year-end:	
Cash and cash equivalents	\$ 458,129
Grants receivable	84,609
Contributions receivable	16,350
Less contractual or donor-imposed restrictions:	
Donor restrictions for specific purposes	<u>-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 559,088</u></u>

GIRLFORWARD
Notes to Financial Statements
December 31, 2021

Note I – Subsequent Events

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in disruption to the Organization's ability to operate and revenue streams (including attendance at events), and a decline in value of the Organization's marketable securities.

Other than the matter noted above, the Organization has determined that no material events or transactions occurred subsequent to December 31, 2021 and through the date of the independent auditor's report, the date the financial statements were available for issuance, that would require adjustments to and/or additional disclosure to the financial statements.