

**GIRLFORWARD**

**Financial Statements**

**December 31, 2017**

# **GIRLFORWARD**

## **Table of Contents**

	<u>Page</u>
<b>Independent Auditors' Report</b>	1-2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6-11
<b>Supplementary Information</b>	
Independent Auditors' Report on Supplementary Information	12
Schedule of Functional Expenses	13

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
GirlForward

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, 2017, and the related statement of activities, and cash flows 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 audit. We conducted our audit 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 GirlForward as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Barnes, Givens & Barnes, Ltd.*

Mount Prospect, Illinois  
July 30, 2018

**GIRLFORWARD**  
Statement of Financial Position  
December 31, 2017

**ASSETS**

Current Assets	
Cash	\$ 246,430
Grants receivable	65,000
Prepaid expense	675
	<hr/>
Total Current Assets	312,105
Property and Equipment, net	3,594
Other Assets	
Deposits	2,587
	<hr/>
Total Assets	<u><u>\$ 318,286</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities	
Accounts payable	\$ 3,905
Accrued liabilities	12,269
	<hr/>
Total Liabilities	16,174
Net Assets	
Unrestricted	302,112
	<hr/>
Total Liabilities and Net Assets	<u><u>\$ 318,286</u></u>

See Accompanying Notes to Financial Statements and  
Independent Auditors' Report

**GIRLFORWARD**  
Statement of Activities  
For the Year Ended December 31, 2017

Support and Revenue	
Contributions	\$ 170,881
Grants	294,492
Special events	51,577
Special events expense	(573)
Other income	2,667
	<hr/>
Total Support and Revenue	519,044
	<hr/>
Expenses	
Programs	286,996
Management and general	48,279
Fundraising	82,467
	<hr/>
Total Expenses	417,742
	<hr/>
Change in Net Assets	101,302
Net Assets - Beginning of Year	200,810
	<hr/>
Net Assets - End of Year	\$ 302,112
	<hr/> <hr/>

See Accompanying Notes to Financial Statements and  
Independent Auditors' Report

**GIRLFORWARD**  
Statement of Cash Flows  
For the Year Ended December 31, 2017

Cash Flows From Operating Activities:	
Change in net assets	\$ 101,302
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-	
Depreciation	1,549
(Increase) decrease in assets-	
Accounts receivable	616
Grants receivable	5,000
Contribution receivable	3,519
Prepaid expense	(675)
Increase (decrease) in liabilities-	
Accounts payable	(5,486)
Accrued liabilities	3,574
	109,399
Net Cash Provided by (Used in) Operating Activities	
Cash Flows From Investing Activities:	
Purchases of property and equipment	(1,062)
Net Cash Provided by (Used in) Investing Activities	
	(1,062)
Net Increase (Decrease) in Cash	
	108,337
Cash - Beginning of Year	
	138,093
Cash - End of Year	
	\$ 246,430

See Accompanying Notes to Financial Statements and  
Independent Auditors' Report

**GIRLFORWARD**  
Notes to Financial Statements  
December 31, 2017

**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.

Basis of Presentation

Information regarding the financial position and activities of the Organization are reported in three classes of net assets as applicable: unrestricted, temporarily restricted, and permanently restricted. These classes of net assets are based on the existence or absence of externally (donor) imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted Net Assets— Unrestricted net assets are not subject to donor-imposed stipulations. They include all activities of the Organization as it currently does not receive any restricted resources. Board designated amounts are part of unrestricted net assets.
- Temporarily Restricted Net Assets— Temporarily restricted net assets are subject to donor-imposed stipulations that can be removed through the passage of time (time restrictions) or actions of the Organization (purpose restrictions).
- Permanently Restricted Net Assets— Permanently restricted net assets are subject to the restrictions imposed by donors who require that the principal of these classes of net assets be invested in perpetuity and only the investment income can be expended.

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.

**GIRLFORWARD**  
Notes to Financial Statements  
December 31, 2017

**Note B – Summary of Significant Accounting Policies (continued)**

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.

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 unrestricted support and included in changes in unrestricted net assets.

**GIRLFORWARD**  
Notes to Financial Statements  
December 31, 2017

**Note B – Summary of Significant Accounting Policies (continued)**

Functional Allocation of Expenses

In the schedule 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.

**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 recognizes the amount of taxes payable or refundable annually. Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax-basis carrying amounts. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period in which the enactment date occurs. A valuation allowance is provided for deferred tax assets if it is more likely than not that temporary differences will not be realized.

Effective January 1, 2009, the Organization adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provides guidance for de-recognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. The cumulative effect of this change in accounting principle had no effect on the Organization's financial statements. The FASB has determined that a non-profit organization asserting that it is tax exempt is an uncertain tax position challengeable by the IRS.

**GIRLFORWARD**  
Notes to Financial Statements  
December 31, 2017

**Note C - Income Taxes (continued)**

In assessing the recognition of deferred tax assets, management considers whether it is more likely than not that some portion of or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the period in which deferred tax assets are deductible, management believes it is more likely than not that the Organization would realize the benefits of deductible temporary differences, net of existing valuation allowances.

The Organization recognizes interest and penalties related to unrecognized tax benefits within the provision for income taxes on continuing operations in the accompanying statement of activities.

The Organization did not experience a significant increase or decrease in the total amounts of unrecognized tax benefits during the fiscal year ended December 31, 2017. Income tax returns filed by the Organization are subject to examination by tax authorities until May 15, 2021.

Management believes that the Organization has appropriate support for all positions taken on its tax returns and that the annual tax provision includes amounts sufficient to pay any assessments of tax, interest, and penalties. Nonetheless, any amounts ultimately paid upon resolution of issues raised by taxing authorities may differ materially from the amounts accrued for each year.

The Organization files Form 990, Return of Organization Exempt from Income Tax with the Federal government.

Management has determined that the Organization has no income tax liability as of December 31, 2017.

**Note D – Grants Receivable**

Grants receivable as of December 31, 2017 consisted of the following:

<u>Grantor</u>	<u>Amount</u>
MacArthur Foundation	\$ 50,000
Chicago Foundation for Women	15,000
Total	<u>\$ 65,000</u>

**GIRLFORWARD**  
Notes to Financial Statements  
December 31, 2017

**Note E – Property and Equipment**

Property and equipment consist of the following:

Furniture and Fixtures	\$ 6,661
Less Accumulated Depreciation	<u>(3,067)</u>
Total	<u>\$ 3,594</u>

Depreciation expense for the year ended December 31, 2017 was \$1,549.

**Note F– Leases**

The Organization leases office space in Chicago under a two year lease expiring on February 28, 2019. The monthly rent is \$1,700 with a five percent annual increase.

The Organization also leases office space in Austin a one year lease expiring on July 31, 2018. The monthly rent is \$750.

The estimated future minimum rental and lease obligation for the succeeding years under non-cancelable operating leases in effect as of December 31, 2017 are as follows:

<u>Year Ended December 31,</u>	
2018	\$ 27,400
2019	<u>3,600</u>
	<u>\$ 31,000</u>

Rental expense on office space and storage for the year ended December 31, 2017 totaled \$28,200.

**Note G – Donated Services**

No amounts have been reflected in the financial statements for donated services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program and support service.

**GIRLFORWARD**  
Notes to Financial Statements  
December 31, 2017

**Note H – Subsequent Events**

The Organization has determined that no material events or transactions occurred subsequent to December 31, 2017 and through the date of the independent auditors' report, the date the financial statements were available for issuance, that would require adjustments to and/or additional disclosure to the financial statements.

**SUPPLEMENTARY INFORMATION**

# BARNES, GIVENS & BARNES, LTD.

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## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors  
GirlForward

We have audited the financial statements of GirlForward (the "Organization") as of and for the year ended December 31 2017, and our report thereon dated July 30, 2018 which expressed an unmodified opinion on those financial statements, appears on page 1-2. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Functional Expenses on page 13 is presented for purpose of additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information on page 13 is fairly stated in all material respects in relation to the financial statements as a whole.

*Barnes, Givens & Barnes, Ltd.*

Mount Prospect, Illinois  
July 30, 2018

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**GIRLFORWARD**  
Schedule of Functional Expenses  
For the Year Ended December 31, 2017

	Programs				Total	Support		Total	Organization Total
	Camp Girlforward	Mentoring	Safe Spaces	Program Management		Management and General	Fundraising		
Salaries and wages	\$ 30,589	\$ 68,933	\$ 11,887	\$ 85,129	\$ 196,538	\$ 23,833	\$ 56,623	\$ 80,456	\$ 276,994
Employee benefits	160	160	80	4,155	4,555	2,186	160	2,346	6,901
Payroll taxes	2,241	5,051	871	6,237	14,400	1,746	4,149	5,895	20,295
Contract expense	-	-	-	5,500	5,500	-	-	-	5,500
Depreciation	-	-	-	-	-	1,549	-	1,549	1,549
Field trips	1,320	19	19	-	1,358	-	-	-	1,358
Fundraising	-	42	175	379	596	-	5,705	5,705	6,301
Insurance	487	487	191	-	1,165	-	-	-	1,165
Legal	-	-	-	6,602	6,602	180	-	180	6,782
Licenses and fees	-	-	-	140	140	159	-	159	299
Marketing	36	109	-	629	774	315	4,265	4,580	5,354
Membership database	-	1,175	-	-	1,175	75	2,244	2,319	3,494
Office expense	672	668	584	566	2,490	1,042	2,040	3,082	5,572
Professional fees	-	-	-	-	-	7,490	-	7,490	7,490
Program expense	3,469	3,061	923	1,124	8,577	-	-	-	8,577
Professional development	-	-	-	793	793	78	-	78	871
Rent	5,450	5,450	3,200	3,200	17,300	5,450	5,450	10,900	28,200
Storage	498	498	272	-	1,268	249	109	358	1,626
Travel	13,896	1,227	400	5,609	21,132	317	142	459	21,591
Utilities	343	-	343	1,580	2,266	2,405	1,580	3,985	6,251
Volunteer expense	91	276	-	-	367	1,205	-	1,205	1,572
<b>Total</b>	<b>\$ 59,252</b>	<b>\$ 87,156</b>	<b>\$ 18,945</b>	<b>\$ 121,643</b>	<b>\$ 286,996</b>	<b>\$ 48,279</b>	<b>\$ 82,467</b>	<b>\$ 130,746</b>	<b>\$ 417,742</b>

See Independent Auditors' Report on Supplementary Information