

**GIRLFORWARD**

**Financial Statements**

**December 31, 2016**

# **GIRLFORWARD**

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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, 2016, 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, 2016, 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 28, 2017

**GIRLFOWARD**  
Statement of Financial Position  
December 31, 2016

**ASSETS**

Current Assets		
Cash	\$	138,093
Accounts receivable		616
Grants receivable		70,000
Contributions receivable		3,519
		<hr/>
Total Current Assets		212,228
Property and Equipment, net		4,081
Other Assets		
Deposits		2,587
		<hr/>
Total Assets	\$	<u><u>218,896</u></u>

**LIABILITIES AND NET ASSETS**

Current Liabilities		
Accounts payable	\$	9,391
Accrued liabilities		8,695
		<hr/>
Total Current Liabilities		18,086
Net Assets		
Unrestricted		200,810
		<hr/>
Total Liabilities and Net Assets	\$	<u><u>218,896</u></u>

See Accompanying Notes and Independent Auditors' Report

**GIRLFORWARD**  
Statement of Activities  
For the Year Ended December 31, 2016

Support and Revenue	
Contributions	\$ 213,568
In-kind contributions	3,737
Grants	80,366
Special events	34,943
Special events expense	(6,218)
Other income	2,084
	<hr/>
Total Support and Revenue	328,480
	<hr/>
Expenses	
Programs	219,952
Management and general	27,126
Fundraising	49,890
	<hr/>
Total Expenses	296,968
	<hr/>
Change in Net Assets	31,512
Net Assets - Beginning of Year	169,298
	<hr/>
Net Assets - End of Year	\$ 200,810
	<hr/> <hr/>

See Accompanying Notes and Independent Auditors' Report

**GIRLFORWARD**  
Statement of Cash Flows  
For the Year Ended December 31, 2016

Cash Flows From Operating Activities:	
Change in net assets	\$ 31,512
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-	
Depreciation	1,178
(Increase) decrease in assets-	
Accounts receivable	371
Grants receivable	40,000
Contribution receivable	579
Increase (decrease) in liabilities-	
Accounts payable	9,391
Accrued liabilities	<u>2,576</u>
Net Cash Provided by (Used in) Operating Activities	<u>85,607</u>
Cash Flows From Investing Activities:	
Purchases of property and equipment	<u>(2,549)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(2,549)</u>
Net Increase (Decrease) in Cash	83,058
Cash - Beginning of Year	<u>55,035</u>
Cash - End of Year	<u><u>\$ 138,093</u></u>

See Accompanying Notes and Independent Auditors' Report

**GIRLFORWARD**  
Notes to the Financial Statements  
December 31, 2016

**Note A – Organization and Nature of Activities**

GirlForward (the "Organization") is a not-for-profit 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 the Financial Statements  
December 31, 2016

**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 the Financial Statements  
December 31, 2016

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

Donated 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 legal services of \$3,737 were recognized as revenue for the year ended December 31, 2016. Numerous volunteers have donated significant amounts of time to the Organization. However, no amounts have been reflected in the financial statements for those services.

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.

**GIRLFORWARD**  
Notes to the Financial Statements  
December 31, 2016

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

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.

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, 2016. Income tax returns filed by the Organization are subject to examination by tax authorities until November 15, 2019.

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, 2016.

**GIRLFORWARD**  
Notes to the Financial Statements  
December 31, 2016

**Note D – Grants Receivable**

Grants receivable as of December 31, 2016 consisted of the following:

<u>Grantor</u>	<u>Amount</u>
Novo Foundation	\$ 55,000
Eleanor Network at Chicago Foundation for Women	15,000
Total	<u>\$ 70,000</u>

**Note E – Property and Equipment**

Property and equipment consist of the following:

Furniture and Fixtures	\$ 5,598
Less Accumulated Depreciation	<u>(1,517)</u>
Total	<u>\$ 4,081</u>

Depreciation expense for the year ended December 31, 2016 was \$1,178.

**Note F– Leases**

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

The estimated future minimum rental and lease obligation for the succeeding years under non-cancelable operating leases in effect as of December 31, 2016 are as follows:

<u>Year Ended December 31,</u>	
2017	\$ 20,200
2018	21,400
2019	<u>3,600</u>
	<u>\$ 45,200</u>

Rental expense on office space and storage for the year ended December 31, 2016 totaled \$22,292.

**GIRLFORWARD**  
Notes to the Financial Statements  
December 31, 2016

**Note G – Subsequent Events**

The Organization has determined that no material events or transactions occurred subsequent to December 31, 2016 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**

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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 2016, and our report thereon dated July 28, 2017 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 28, 2017

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**GIRLFORWARD**  
Schedule of Functional Expenses  
For the Year Ended December 31, 2016

	Programs				Support			Organization Total
	Camp Girlforward	Mentoring	Safe Spaces	Total	Management and General	Fundraising	Total	
Salaries and wages	\$ 56,412	\$ 66,775	\$ 20,672	\$ 143,859	\$ 9,351	\$ 34,315	\$ 43,666	\$ 187,525
Employee benefits	597	1,890	405	2,892	170	164	334	3,226
Payroll taxes	4,440	4,798	1,680	10,918	682	2,558	3,240	14,158
Contract expense	2,500	2,500	-	5,000	-	2,500	2,500	7,500
Depreciation	-	-	-	-	1,178	-	1,178	1,178
Field trips	218	320	-	538	-	-	-	538
Fundraising	-	-	-	-	-	3,158	3,158	3,158
Insurance	1,959	1,959	1,080	4,998	1,020	-	1,020	6,018
Legal	-	-	-	-	3,737	-	3,737	3,737
Licenses and fees	13	76	-	89	1,548	-	1,548	1,637
Marketing	-	-	-	-	59	859	918	918
Meals and entertainment	-	-	-	-	31	12	43	43
Membership database	-	900	-	900	-	-	-	900
Miscellaneous	500	500	-	1,000	864	20	884	1,884
Office expense	767	1,450	387	2,604	1,132	1,623	2,755	5,359
Professional fees	4,848	-	-	4,848	2,403	-	2,403	7,251
Program expense	1,967	916	174	3,057	-	160	160	3,217
Professional development	53	757	61	871	1,024	276	1,300	2,171
Rent	5,490	6,154	5,525	17,169	2,443	2,680	5,123	22,292
Storage	596	548	-	1,144	-	-	-	1,144
Supplies	812	665	312	1,789	22	27	49	1,838
Travel	8,145	3,422	591	12,158	590	820	1,410	13,568
Utilities	1,961	1,282	2,741	5,984	834	718	1,552	7,536
Volunteer expense	90	44	-	134	38	-	38	172
<b>Total</b>	<b>\$ 91,368</b>	<b>\$ 94,956</b>	<b>\$ 33,628</b>	<b>\$ 219,952</b>	<b>\$ 27,126</b>	<b>\$ 49,890</b>	<b>\$ 77,016</b>	<b>\$ 296,968</b>

See Independent Auditors' Report on Supplementary Information