

# AMPLIFY GIRLS INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2022

**AMPLIFY GIRLS INC.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Amplify Girls Inc.

### Opinion

We have audited the accompanying financial statements of Amplify Girls Inc. (the Organization), which comprise the statement of financial position as of December 31, 2022, 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 the Organization as of December 31, 2022, 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 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.

*HAN GROUP LLC*

HAN GROUP LLC  
Washington, DC  
August 7, 2023

**AMPLIFY GIRLS INC.**  
Statement of Financial Position  
December 31, 2022

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<b>Assets</b>	
Cash	\$ 986,457
Grants and contributions receivable, net	583,161
Prepaid expenses	<u>1,308</u>
Total assets	<u>\$ 1,570,926</u>
<b>Liabilities and Net Assets</b>	
<b>Liabilities</b>	
Accounts payable and accrued expenses	<u>\$ 12,377</u>
Total liabilities	<u>12,377</u>
<b>Net Assets</b>	
Without donor restrictions	
Undesignated	379,709
Board designated – emergency fund for partners	<u>10,000</u>
Total without donor restrictions	389,709
With donor restrictions	<u>1,168,840</u>
Total net assets	<u>1,558,549</u>
Total liabilities and net assets	<u>\$ 1,570,926</u>

*See accompanying notes.*

**AMPLIFY GIRLS INC.**  
Statement of Activities  
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Grants and contributions	\$ 229,798	\$ 1,820,604	\$ 2,050,402
Net assets released from restrictions:			
Satisfaction of purpose restrictions	701,764	(701,764)	-
Total revenue and support	<u>931,562</u>	<u>1,118,840</u>	<u>2,050,402</u>
<b>Expenses</b>			
Program services:			
Training	314,425	-	314,425
Research	272,227	-	272,227
Advocacy and network	72,383	-	72,383
Total program services	<u>659,035</u>	<u>-</u>	<u>659,035</u>
Supporting services:			
Management and general	84,534	-	84,534
Fundraising	45,998	-	45,998
Total supporting services	<u>130,532</u>	<u>-</u>	<u>130,532</u>
Total expenses	<u>789,567</u>	<u>-</u>	<u>789,567</u>
<b>Change in Net Assets</b>	141,995	1,118,840	1,260,835
<b>Net Assets, beginning of year</b>	<u>247,714</u>	<u>50,000</u>	<u>297,714</u>
<b>Net Assets, end of year</b>	<u>\$ 389,709</u>	<u>\$ 1,168,840</u>	<u>\$ 1,558,549</u>

See accompanying notes.

**AMPLIFY GIRLS INC.**  
Statement of Functional Expenses  
Year Ended December 31, 2022

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Total
	Training	Research	Advocacy and Network		Management and General	Fundraising		
Salaries, wages, and related expenses	\$ 67,481	\$ 201,613	\$ 62,491	\$ 331,585	\$ 41,994	\$ 36,731	\$ 78,725	\$ 410,310
Grant expenses	238,757	1,717	-	240,474	-	-	-	240,474
Professional fees	4,677	47,821	4,126	56,624	24,636	-	24,636	81,260
Meetings, travel, and meals	3,366	13,291	3,021	19,678	7,659	5,836	13,495	33,173
Licenses and dues	-	5,043	316	5,359	6,197	439	6,636	11,995
Office expenses	27	2,143	1,188	3,358	645	866	1,511	4,869
Communications and technology	-	312	1,092	1,404	310	488	798	2,202
Other expenses	117	287	149	553	3,093	1,638	4,731	5,284
<b>Total Expenses</b>	<b>\$ 314,425</b>	<b>\$ 272,227</b>	<b>\$ 72,383</b>	<b>\$ 659,035</b>	<b>\$ 84,534</b>	<b>\$ 45,998</b>	<b>\$ 130,532</b>	<b>\$ 789,567</b>

See accompanying notes.

**AMPLIFY GIRLS INC.**  
Statement of Cash Flows  
Year Ended December 31, 2022

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<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ 1,260,835
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in present value of grants and contributions receivable	11,923
Change in operating assets and liabilities:	
Grants and contributions receivable	(595,084)
Prepaid expenses	3,039
Accounts payable and accrued expenses	<u>10,937</u>
Net cash provided by operating activities	<u>691,650</u>
<b>Net Increase in Cash</b>	691,650
<b>Cash, beginning of year</b>	<u>294,807</u>
<b>Cash, end of year</b>	<u><u>\$ 986,457</u></u>

*See accompanying notes.*

## 1. Nature of Operations

Amplify Girls Inc. (the Organization) is a Delaware nonprofit corporation which formed in 2020. The mission of the Organization is to amplify the voices, work, and impact of community-driven organizations committed to building girls' agency. The Organization does this by supporting the growth of organizations through intentional collaboration and learning; advocating for the inclusion of community-driven organizations (CDOs) in global decision-making spaces; and developing cutting-edge research that enables us to understand, measure, and maximize girls' agency.

The Organization embodies an innovative grassroots model of scale: it supports CDOs to lead and collectively work towards improving outcomes for adolescent girls - based on the solutions they identify as best for their communities. Using intentional collaboration – a structured, non-hierarchical approach to working in partnership – the Organization is creating opportunities for CDOs through a three-pillared approach:

Support: Strengthen CDOs by mobilizing resources for organizational development and sharing of best practices.

Demonstrate: Document and communicate the impact of CDOs through rigorous locally-driven M&E and research.

Advocate: Use the Organization's collective voices to illustrate the impact of CDOs and shift global investment to locally-led, locally-driven organizations.

Using this approach, the Organization's work will create a different development narrative, one that recognizes that localized approaches offer powerful solutions for adolescent girls.

## 2. Summary of Significant Accounting Policies

### Basis of Accounting

The accompanying financial statements of the Organization have been on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized as the obligations are incurred.

### Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's general operations. Included in net assets without donor restrictions at December 31, 2022 is board designated net assets available for emergency fund for partners.
- *Net Assets With Donor Restrictions* represent funds that are subject to donor-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. At December 31, 2022, there were no donor-imposed restrictions which are perpetual in nature.

## 2. Summary of Significant Accounting Policies (continued)

### Revenue Recognition

#### *Grants and Contributions*

Unconditional grants and contributions are recognized when promised and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Grants and contributions with donor-imposed restrictions are reclassified to net assets without donor restrictions when those restrictions are met, in compliance with the donor-imposed restrictions and for the expiration of donor-imposed time restrictions. These reclassifications are reported on the accompanying statement of activities as net assets released from restrictions.

Grants and contributions that are considered to be conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue once the conditions on which they depend have been met. Revenue recognized as grants and contributions that has not been received, is included in grants and contributions receivable. Conversely, amounts received in advance of the conditions being met are included in refundable advances. The Organization had no refundable advances and no unrecognized conditional awards at December 31, 2022.

### Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis on the accompanying statement of activities. The statement of functional expenses presents expenses by function and natural classification. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries, wages, and related expenses.

### Use of Estimates

The preparation of financial statements in conformity GAAP requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## 3. Concentrations

Financial instruments which potentially subject the Organization to a concentration of credit risk, consist principally of cash balances maintained at a financial institution. While the amount at a given bank at times exceeds the amount guaranteed by the Federal Deposit Insurance Corporation, and therefore, bears some risk, the Organization has not experienced, nor does it anticipate, any losses on its funds.

The Organization received approximately 90% of its revenue and supports from four sources during the year ended December 31, 2022. In addition, amounts due from two sources comprised 75% of the total receivables at December 31, 2022.

#### 4. Grants and Contributions Receivable

Grants and Contributions receivable are comprised of unconditional promises to give and are receivable as follows at December 31, 2022:

Receivable in one year	\$ 319,728
Receivable in one to five years	<u>275,356</u>
Total contributions receivable	595,084
Less: unamortized discount	<u>(11,923)</u>
Contributions receivable, net	<u><u>\$ 583,161</u></u>

At December 31, 2022, there was no allowance for doubtful accounts recorded as the entire balance has been deemed by management to be fully collectible. Multi-year grants and contributions are discounted to their present value with discount rates of 3.91% over the period of the grants and contributions using an estimate of expected cash flows.

#### 5. Liquidity and Availability of Resources

The following schedule reflects the Organization's financial assets as of December 31, 2022, reduced by amounts not available for general use within one year. All financial assets listed below are considered to be convertible to cash within one year.

Financial Assets:	
Cash	\$ 986,457
Grants and contributions receivable	<u>319,728</u>
Total financial assets	1,306,185
Less: Donor-imposed restrictions on the financial assets	(610,829)
Less: Board-designated net assets	<u>(10,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 685,356</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. Management is focused on securing grants and contributions without donor restrictions that can be used for general expenditures.

#### 6. Related Party Transaction

During the year ended December 31, 2022, the Organization provided grants to several organizations where the Organization's board members held officer positions. The total grants provided to these organizations amounted to approximately \$79,000 for the year ended December 31, 2022. In addition, the board members and officers of the Organization donated approximately \$26,000 during the year ended December 31, 2022.

## 7. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2022:

Subject to passage of time	\$	558,011
Subject to expenditure for specific purposes:		
Research		425,037
Advancing girls' agency and education		120,792
Strategic planning support		40,000
Girls' education and empowerment across East Africa		<u>25,000</u>
Total net assets with donor restrictions	\$	<u>1,168,840</u>

During the year ended December 31, 2022, releases from net assets with donor restrictions were for the following:

Subject to expenditure for specific purposes:		
Research	\$	340,556
Education and innovation fund		260,000
Advocacy and network support		50,000
Advancing girls' agency and education		29,208
Staff retreat		12,000
Strategic planning support		<u>10,000</u>
Total net assets released from restrictions	\$	<u>701,764</u>

## 8. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the year ended December 31, 2022, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification Topic 740-10, Income Taxes. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2022, and determined that there were no matters that would require recognition on the financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns.

**9. Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 7, 2023, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements.