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**GLAM4GOOD  
FOUNDATION, INC.  
(A Not-For-Profit Corporation)**

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**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**For the Year Ended December 31, 2020**

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**MATHESON & ASSOCIATES, LLC**  
110 S. Jefferson Road  
Whippany, NJ 07981  
Phone 973-428-8885

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
GLAM4GOOD Foundation

We have audited the accompanying financial statements of GLAM4GOOD Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements 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.

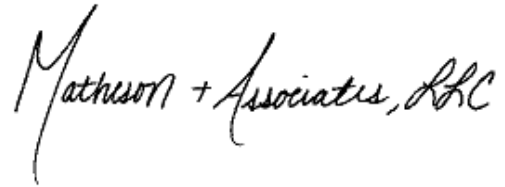
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GLAM4GOOD Foundation, Inc. as of December 31, 2020, 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.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 6 is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Matheson + Associates, LLC". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Whippany, NJ 07981  
June 15, 2021

**GLAM4GOOD  
FOUNDATION, INC.**

**December 31, 2020**

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**GLAM4GOOD FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020**

**ASSETS**

	<b><u>2020</u></b>
<b>CURRENT ASSETS</b>	
Cash	\$ 384,359
Contributions receivable	12,239
Inventory	<u>874,731</u>
<b>TOTAL CURRENT ASSETS:</b>	<u>1,271,329</u>
<b>OTHER ASSETS:</b>	
Security deposit	<u>4,400</u>
<b>TOTAL OTHER ASSETS</b>	<u>4,400</u>
<b>TOTAL ASSETS:</b>	<u><u>\$ 1,275,729</u></u>

**LIABILITIES AND NET ASSETS**

<b>NET ASSETS</b>	
Unrestricted	\$ 400,998
Temporarily restricted	<u>874,731</u>
<b>TOTAL NET ASSETS:</b>	<u>1,275,729</u>
<b>TOTAL LIABILITIES AND NET ASSETS:</b>	<u><u>\$ 1,275,729</u></u>

**GLAM4GOOD FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
<b>SUPPORT, REVENUE AND RELEASES</b>			
Contributions	\$ 742,890	\$ -	\$ 742,890
In-Kind contributions	85,000	3,619,788	3,704,788
Interest income	47	-	47
Net assets released from restriction	<u>3,619,788</u>	<u>(3,619,788)</u>	<u>-</u>
<b>TOTAL SUPPORT, REVENUE AND RELEASES:</b>	4,447,725	-	4,447,725
<b>EXPENSES</b>			
Program service expenses	3,683,631	(760,975)	2,922,656
General and administrative expenses	467,992	-	467,992
Fundraising expenses	<u>8,770</u>	<u>-</u>	<u>8,770</u>
<b>TOTAL EXPENSES:</b>	4,160,393	(760,975)	3,399,418
<b>CHANGE IN NET ASSETS</b>	287,332	760,975	1,048,307
<b>BEGINNING NET ASSETS</b>	113,666	113,756	227,422
<b>ENDING NET ASSETS</b>	<u>\$ 400,998</u>	<u>\$ 874,731</u>	<u>\$ 1,275,729</u>

**GLAM4GOOD FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u><b>2020</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<b>CHANGE IN NET ASSETS:</b>	\$1,048,307
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
<b>CHANGES IN ASSETS AND LIABILITIES</b>	
Contributions receivable	18,444
Inventory	(760,975)
Accrued expenses	(2,809)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	<u>302,967</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS:</b>	302,967
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR:</b>	81,392
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR:</b>	<u><u>\$ 384,359</u></u>

**GLAM4GOOD FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Program</u>	<b>Supporting Services</b>	
		<u>General and Administrative</u>	<u>Fundraising</u>
<b><u>EXPENSES</u></b>			
In-kind expenses	\$ 3,619,788	\$ 85,000	\$ -
Consultants and outside labor	-	263,315	-
Legal and professional	22,358	17,125	6,950
Rent	-	50,400	-
Project expenses	22,124	-	-
Advertising	13,380	420	1,002
Computer and internet expenses	-	10,614	378
Travel and entertainment	3,720	4,006	-
Office expenses	-	31,941	440
Business insurance	-	2,512	-
Utilities	-	2,400	-
Postage and delivery	1,945	48	-
Program expenses	316	-	-
Bank and merchant fees	-	136	-
Filing fees	-	75	-
<b><u>TOTAL EXPENSES:</u></b>	<b><u>\$ 3,683,631</u></b>	<b><u>\$ 467,992</u></b>	<b><u>\$ 8,770</u></b>

# GLAM4GOOD FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

## NOTE 1 – ORGANIZATION AND PURPOSE

Founded in 2016, GLAM4GOOD Foundation, Inc. (G4G) creates and celebrates social impact and empowerment through beauty and style. They create programs, events, and initiatives that harness the healing power, joy, and attention that fashion and beauty bring to raise awareness, encourage self-esteem, promote healing, and honor courage. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization's main source of revenue is from contributions.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

### a. Accrual Basis Financial Statements

The accompanying financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America and in accordance with the principles of not-for-profit accounting.

### b. Net Assets

The net assets of the GLAM4GOOD Foundation and changes therein are classified and reported as follows:

- Unrestricted net assets include all resources that are not subject to donor-imposed restrictions of a more specific nature than those that only obligate the Organization to utilize funds in furtherance of its mission.
- Temporarily restricted net assets carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Temporary restrictions may expire either because certain actions are taken by the Organization that fulfill the restrictions or because of the passage of time. Expirations of temporary 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.

### b. Cash and Cash Equivalents

Cash and cash equivalents include checking, savings and money market accounts, and all highly liquid investments with an initial maturity of three months or less.

# GLAM4GOOD FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

### c. Contributions Receivable

Contributions receivable are recognized as income in the year in which the contribution is pledged. Contributions to be received within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their future estimated cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

### d. Contributions

Contributions are recorded as revenue upon receipt of cash or unconditional promises to give (pledges). Contributions are considered available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are not included as support until the conditions are substantially met.

### e. Expense Allocations

Direct identifiable expenses are charged to programs and supporting services. General and administrative expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support of the Organization.

### f. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from their estimates.

## NOTE 3 – CONCENTRATION OF RISK

GLAM4GOOD's banking accounts are maintained at one institution and at times could exceed the federal insured limits for those accounts. At December 31, 2020, there were no balances exceeding FDIC insurance of \$250,000.

## NOTE 4 – GRANTS & CONTRIBUTIONS RECEIVABLE

The Organization received contributions during the beginning of 2021 which had been pledged to G4G during 2020. Contributions receivable outstanding as of the close of the year ended December 31, 2020 totaled \$12,239. All contributions receivable have been received as of the end of March of 2021.

# GLAM4GOOD FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2020

## NOTE 5 – INVENTORY / IN-KIND CONTRIBUTIONS

Inventory consists of in-kind donations of clothing, make-up, jewelry, gift cards, and additional accessories provided by various businesses. These items are directly distributed to the public through the performance of programs and events in order to fulfill the mission of G4G. The value of the inventory is mostly provided by the donor, but if a value has not been provided, G4G determines an appropriate value through a detailed process which has been assembled into a written guide for consistency and accuracy. The balance of the inventory as of the close of the year ended December 31, 2020 totaled \$874,731.

## NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are from the in-kind contributions (Note 4), which are designated for G4G's programs, events, and initiatives. The balance of \$400,998 is unrestricted for other program expenses and general and administrative expenses necessary to operate the Organization. The balance of the temporarily restricted net assets as of the close of the year ended December 31, 2020 totaled \$874,731.

## NOTE 7 – IN-KIND OPERATING LEASE

An in-kind operating lease for warehouse space, including utilities, has been donated to the Organization starting in May of 2017. The recognized amount for the donated payments during 2020 was \$85,000. This amount is based on the current fair-market-value of lease payments for this space that's donated to G4G.

## NOTE 8 – OPERATING LEASE

G4G entered an operating lease to rent space beginning in May of 2019. The lease payments of \$4,400 per month cover the rent, utilities, and real estate taxes for the space. The total of all lease payments for this location totaled \$52,800 during 2020.

## NOTE 9 – OFFICER COMPENSATION

During 2019, the Organization began compensating the Executive Director/President, Mary Alice Stephenson, for the various professional services which she performs throughout the year. During 2020, Ms. Stephenson received compensation in the amount of \$200,000 and is entirely categorized to the professional fees which are allocated to the program expenses.

## NOTE 10 – SUBSEQUENT EVENTS

There have not been any subsequent events that would materially affect any of the information contained in these financial statements as of the date of this report.