



WithumSmith+Brown, PC
AUDIT • TAX • ADVISORY

She's ^{the} First

Financial Statements

December 31, 2014

(with Summarized Financial Information for 2013)

With Independent Auditors' Report

She's the First, Inc.
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(with Summarized Financial Information for 2013)

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Independent Auditors' Report

To the Board of Directors
She's the First, Inc.

We have audited the accompanying financial statements of She's the First, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets and cash flows for the years 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.

Auditors' 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 of 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 auditors' 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 She's the First, Inc., as of December 31, 2014, 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.

Report on Summarized Comparative Information

We have previously audited the She's the First, Inc.'s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 15, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

William Smith + Brown, PC

May 13, 2015

She's the First, Inc.
Statements of Financial Position
December 31, 2014 and 2013

Assets

	2014	2013
Current assets		
Cash and cash equivalents	\$ 234,593	\$ 191,634
Contributions receivable	19,965	23,362
Grants receivable	40,000	50,000
	<u>40,000</u>	<u>50,000</u>
	<u>\$ 294,558</u>	<u>\$ 264,996</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 3,146	\$ 2,770
Net assets		
Unrestricted	241,112	201,605
Temporarily restricted	50,300	60,621
	<u>291,412</u>	<u>262,226</u>
	<u>\$ 294,558</u>	<u>\$ 264,996</u>

The Notes to Financial Statements are an integral part of these statements.

She's the First, Inc.
Statements of Activities and Changes in Net Assets
Year Ended December 31, 2014
(with summarized financial information for 2013)

	2014			2013
	Unrestricted	Temporarily Restricted	Total	
Support and revenue				
Individual contributions	\$ 107,399	\$ 189,913	\$ 297,312	\$ 257,769
Corporate and foundation contributions	111,236	154,072	265,308	222,921
Foundation grants	5,000	15,000	20,000	78,600
Program service fees	-	-	-	4,000
Donated property and services	52,172	17,599	69,771	85,185
Other contributions	12,666	47,219	59,885	12,421
Net assets released from restrictions	434,124	(434,124)	-	-
Total support and revenue	722,597	(10,321)	712,276	660,896
Expenses				
Grants and scholarships	316,169	-	316,169	187,215
Salaries and wages	196,927	-	196,927	143,695
Professional fees	74,225	-	74,225	61,664
Travel	40,612	-	40,612	21,769
Rent	13,411	-	13,411	50,150
Office expenses	22,058	-	22,058	8,763
Insurance	1,775	-	1,775	1,873
Conferences and meetings	16,712	-	16,712	2,585
Other operating expenses	1,201	-	1,201	9,554
Total expenses	683,090	-	683,090	487,268
Changes in net assets	39,507	(10,321)	29,186	173,628
Net assets at beginning of year	201,605	60,621	262,226	88,598
Net assets at end of year	\$ 241,112	\$ 50,300	\$ 291,412	\$ 262,226

The Notes to Financial Statements are an integral part of these statements.

She's the First, Inc.
Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Changes in net assets	\$ 29,186	\$ 173,628
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Changes in certain assets and liabilities:		
Contributions receivable	3,397	(23,362)
Grants receivable	10,000	(50,000)
Accounts payable	<u>376</u>	<u>(37,210)</u>
Net cash provided by operating activities	<u>42,959</u>	<u>63,056</u>
Net increase in cash and cash equivalents	42,959	63,056
Cash and cash equivalents		
Cash and cash equivalents, beginning of year	<u>191,634</u>	<u>128,578</u>
Cash and cash equivalents, end of year	<u><u>\$ 234,593</u></u>	<u><u>\$ 191,634</u></u>

The Notes to Financial Statements are an integral part of these statements.

She's the First, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

1. Nature of the Organization

She's the First, Inc. (the "Organization"), a not-for-profit corporation, was formed to fulfill the mission of sponsoring girls' education in low-income nations, giving them the chance to become the first in their families to graduate from secondary school.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenue is recognized when earned and expenses and costs are recognized when incurred.

Classification of Net Assets

Unrestricted - includes resources that have not been restricted by an outside donor, and are, therefore, available for use in carrying out the general operations of the Organization.

Temporarily Restricted - includes resources that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of the Organization pursuant to those stipulations.

Permanently Restricted - includes resources whereby donors have stipulated that the corpus of the gift be invested and maintained in perpetuity. Income earned from such gifts is generally available for expenditures according to donor-imposed restriction, if any. The Organization has no permanently restricted net assets.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased with an initial maturity of three months or less to be cash equivalents. At December 31, 2014 and 2013, cash and cash equivalents consist of monies held in checking, savings, and PayPal accounts.

Contributions and Grants Receivable

Contributions and grants receivable are stated at unpaid balances. The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. Management has not provided for an allowance for doubtful accounts at December 31, 2014 and 2013 as they believe all amounts are fully collectible.

Support and Revenue

The Organization records contributions and grants as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Donated Property and Services

Contributions of donated non-cash assets are recorded at their fair value 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 donations, are recorded at their fair values in the period received. These contributions are reflected within the statement of activities and changes in net assets as donated property and services revenue and within total operating expenses.

A substantial number of unpaid volunteers have made significant contributions of their time to assist in the Organization's programs. The value of this contributed time is not reflected in the accompanying financial statements since it is not susceptible to objective measurement or valuation and does not meet the criteria for recognition.

She's the First, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

At December 31, 2014 and 2013, donated property and services consisted of the following:

	2014	2013
Donated professional services	\$ 38,972	\$ 35,235
Donated venue	12,150	-
Donated catering	5,449	-
Donated office space	13,200	49,950
Total	<u>\$ 69,771</u>	<u>\$ 85,185</u>

Grants and Scholarships Expenses

The Organization provides funding to global partner organizations in the form of scholarships to sponsor girls' educations in developing nations. The Organization also puts on an annual leadership summit which is attended by student leaders from around the globe. Expenses related to the travel for these student leaders to attend the leadership summit and expenses related to employee site visits to these partner organizations are included in travel expenses on the statement of activities and changes in net assets. At the leadership summit, the Organization provides small grants to chapters who win awards, to support their campus activities, which are funded by its corporate partners.

Financial Instruments

The carrying values of the Organization's financial instruments as of December 31, 2014 include cash and accounts payable and approximate their fair values due to the relatively short maturity of these instruments.

Concentrations of Credit Risk

The Organization places its cash with high credit quality financial institutions. At times, such amounts may exceed the current insured amount under the Federal Deposit Insurance Corporation. The Organization monitors the financial condition of the banking institutions, along with their cash balances, to minimize this risk.

At December 31, 2014, two contributors accounted for 100% of grants receivable. At December 31, 2013, one contributor accounted for 100% of grants receivable.

For the year ended December 31, 2014, there were no donors who accounted for over 10% of contributed support. For the year ended December 31, 2013, one contributor accounted for approximately 11% of contributed support.

Income Taxes

The Organization qualifies as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Organization is also exempt from state and local income taxes.

The Organization followed the provisions of authoritative guidance on accounting for uncertainty in income taxes for the years ended December 31, 2014 and 2013. Under this guidance, tax positions are evaluated for recognition using a more-likely-than-not threshold, and those tax positions requiring recognition are measured at the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information.

The Organization has evaluated the likelihood of their tax exempt status being challenged as remote. Accordingly, the Organization has not included any income tax provisions or any potential liabilities for taxes on unrelated business income, including interest and penalties, in the financial statements related to potential violations of their tax exempt status. The Organization has no open years prior to 2011. There are no income tax related interest or penalties reflected in these financial statements.

The Organization files tax returns in the U.S. federal jurisdiction and the State of New York.

She's the First, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

Functional Allocation of Expenses

Expenses by function have been allocated among program and supporting classifications on the basis of time records and estimates made by management.

Certain operating expenses have been allocated to program services based on the reasonable benefit that the program derived from these expenses. There are various funding sources providing support toward the Organization's programs and some of the expenses charged to the programs represent direct expenses related to program operations and objectives.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of unspent funds for grantor and donor specified purposes for programs and services. Temporarily restricted assets are available for the following purposes:

	2014	2013
Program	\$ <u>50,300</u>	\$ <u>60,621</u>

4. Functional Expenses

The expenses of the Organization on a functional basis are as follows as of December 31:

	2014	2013
Program	\$ 488,756	\$ 330,460
Administrative	115,120	97,553
Fundraising	<u>79,214</u>	<u>59,255</u>
Total	<u>\$ 683,090</u>	<u>\$ 487,268</u>

5. Related Party Transactions

For the years ended December 31, 2014 and 2013, \$12,653 and \$9,625, respectively, in funds were received from the Organization's board members and are included in other contributions on the statement of activities and changes in net assets.

6. Subsequent Events

The Organization has evaluated subsequent events occurring after the statement of financial position date through the date of May 13, 2015, which is the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined that no subsequent events have occurred which require disclosure in the financial statements.