

Lead Girls of NC, Inc.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

December 31, 2023

Preston Sims & Darden, P. A.

Certified Public Accountants

Winston-Salem, North Carolina

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Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT

To The Board of Directors
LEAD Girls of NC, Inc
Winston-Salem, North Carolina

We have reviewed the accompanying financial statements of LEAD Girls of NC, Inc. (a not-for-profit organization) which comprise the statement of position as of December 31, 2023 and the related statement of activities, net assets, cash flows and statement of functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 of presentation financial statements that are free from material misstatement due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Lead Girls of NC, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles generally accepted in the United States of America.



Preston Sims & Darden, P. A.

August 6, 2024

LEAD Girls of NC, Inc.
Statement of Financial Position
as of December 31, 2023

ASSETS

2023

Current assets:

Cash and cash equivalents -unrestricted by donors	\$	463,885
Cash and cash equivalents -restricted by donors		40,297
Accounts receivable		15,125
Accounts receivable -restricted by donors		-
Other receivables		<u>2,604</u>
 Total current assets		 521,911

Total assets

\$ 521,911

LIABILITIES and NET ASSETS

Current liabilities:

Accounts payable	\$	15,363
Accrued expenses		<u>6,714</u>
 Total current liabilities		 22,077

Total liabilities

22,077

Net Assets:

Unrestricted by donors		459,537
Restricted by donors		<u>40,297</u>
 Total net assets		 <u><u>499,834</u></u>

Total Liabilities and Net Assets

\$ 521,911

See accountants' review report and accompanying notes to financial statements.

Lead Girls of NC, Inc
Statement of Cash Flows
For the year ended December 31, 2023

Cash flows from operating activities:	<u>Unrestricted</u>	<u>Restricted</u>
(Decrease)/Increase in net assets	\$ 45,351	\$ (97,203)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease in grants receivable		137,500
Increase in accounts receivable	(11,139)	
Increase in accounts payable	11,219	
Increase in accrued expenses	4,410	
 Net cash provided in operating activities	 <u>49,841</u>	 <u>40,297</u>
 Net increase(decrease) in cash	 49,841	 40,297
Cash and cash equivalents-beginning of period	<u>414,044</u>	<u>-</u>
Cash and cash equivalents-end of period	<u>\$ 463,885</u>	<u>\$ 40,297</u>

Additional Cash flow information:

No interest was paid during year end December 31, 2023.

See accountants' review report and accompanying notes to financial statements.

LEAD Girls of NC, Inc.
Statement of Activities
For the Years Ended December 31, 2023

	December 31, 2023		
Support and Revenue	<u>Unrestricted</u>	Donor <u>Restricted</u>	<u>Total</u>
Direct public support	\$ 166,171	\$ -	\$ 166,171
Foundation grants	133,471	58,700	192,171
Government grants	2,500	-	2,500
Sponsorships	40,000	-	40,000
Program income	2,025	-	2,025
Special events income	6,237	-	6,237
Other income	20	-	20
Investment income	10,469	-	10,469
In-kind support	11,055	-	11,055
Donated supplies	17,112	-	17,112
Total support and revenue	<u>389,060</u>	<u>58,700</u>	<u>447,760</u>
Assets released from restrictions	<u>155,903</u>	<u>(155,903)</u>	<u>-</u>
Total Support and Revenue	544,963	(97,203)	447,760
Expenses			
Program services	387,192	-	387,192
Management and General	54,121	-	54,121
Fundraising	58,299	-	58,299
Total expenses	<u>499,612</u>	<u>-</u>	<u>499,612</u>
Changes in net assets	45,351	(97,203)	(51,852)
Net assets, beginning of the year	<u>414,186</u>	<u>137,500</u>	<u>551,686</u>
Net assets, end of the year	<u>\$ 459,537</u>	<u>\$ 40,297</u>	<u>\$ 499,834</u>

See accountants' review report and accompanying notes to financial statements.

LEAD Girls of NC, Inc.
Schedule of Functional Expenses
For the Year Ended December 31, 2023

	Program Expenses	Management and General	Fund Raising	Total
Salaries and payroll taxes	\$ 149,099	\$ 24,126	\$ 20,398	\$ 193,623
Benefits	17,125	2,771	2,344	22,240
Resource development	33,125	5,360	4,532	43,017
Contracted Services	8,889	1,438	1,216	11,543
Consultants	21,731	7,181	2,973	31,885
Researchers	3,123	-	-	3,123
Honorariums	410	-	-	410
Dues and subscriptions	2,362	382	323	3,067
Office expense	23,344	3,776	3,193	30,313
Staff development	6,153	996	842	7,991
Rent	12,470	2,018	1,706	16,194
Advertising and marketing	-	-	4,216	4,216
Insurance	1,376	223	188	1,787
Travel	1,763	285	241	2,289
Meals	4,603	745	630	5,978
Board expenses	-	169	-	169
Program and event supplies	44,715	-	11,565	56,280
Information technology	9,108	1,474	1,246	11,828
Accounting Fees	15,894	2,572	2,175	20,641
Bank Fees	3,113	504	426	4,043
Repairs and maintenance	622	101	85	808
Donated supplies	17,112	-	-	17,112
In-kind services	11,055	-	-	11,055
Total expenses	<u>\$ 387,192</u>	<u>\$ 54,121</u>	<u>\$ 58,299</u>	<u>\$ 499,612</u>

See accountants' review report and accompanying notes to financial statements.

LEAD Girls of NC, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2023

Note 1. Nature of Business and Significant Accounting Policies

A. Nature of Business and Organization

LEAD Girls of NC, Inc. (LEAD Girls) is a nonprofit corporation incorporated in North Carolina on July 5, 2016. LEAD Girls is dedicated to providing the tools and resources that low-income/at risk preteen girls must have to become productive citizens and active leaders in their communities. Using an evidence based curriculum, LEAD Girls encourages and mentors girls to aspire and achieve greatness academically, emotionally and creatively.

B. Significant accounting policies

1) Basis of Accounting

LEAD Girls prepares its financial statements on the accrual basis of accounting.

2) Basis of Presentation:

On August 16, 2016 FASB issued ASU 2016-14, Not for Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

LEAD Girls reports information regarding its financial position and activities according to two classes of net assets, Net assets without donor restrictions, and net assets with donor restrictions. Assets accumulated and resources received and expended by the Organization are either without donor restrictions or restricted by the donor for a particular purpose. Net assets with donor restrictions represent contributions to LEAD Girls, whose use is limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. The designation of net assets for the specific purposes by LEAD Girls itself does not constitute a basis for reclassifying them as net assets with donor restrictions. At December 31, 2022 \$265,316 of net assets were with donor restrictions.

3) Revenue Recognition

Contributions received are recorded as support unrestricted by donor and support restricted by donor, depending on the existence and/or nature of such restrictions. Donor restricted net assets are reclassified to net assets unrestricted by donor upon satisfaction of time or purpose restrictions.

In-kind support is recorded at the market value of professional services donated at the provider's customary billing rate for those services. In-kind support for the year was valued at \$28,167. Tangible donated goods are valued at their fair market value at the time of donation. Donated goods for the year were \$17,112.

4) Classification of Net Assets

The net assets of the LEAD Girls are classified as unrestricted by donor, and restricted by donor.

Net assets unrestricted by donor consist of assets, net of liabilities related to LEAD Girls' regular operations that are available at the discretion of the Board of Directors. As of December 31, 2023, \$40,297 of net assets were restricted by donors, and \$ 459,837 were unrestricted by donors.

5) Cash and Cash Equivalents

LEAD Girls considers all highly liquid investments with a maturity date of three months or less to be cash equivalents. Donor restricted cash consists of money collected that is restricted by donor to be spent in a subsequent year or for a particular purpose.

6) Grants and contracts receivable are classified as unrestricted by donor and restricted by donor. Restricted amounts receivable are restricted by donor to be spent in a subsequent year or for a particular purpose.

7) Furniture and Equipment:

Furniture and equipment is recorded at cost if cost exceeds \$1,000. Donated property and equipment is recorded at its fair market value at the time of donation. Depreciation is calculated using straight line method over their estimated useful lives. Donations of property and equipment are classified as unrestricted unless the donor has restricted use of the asset to a specific purpose. The organization had no capitalized fixed assets or depreciation as of December 31, 2023.

8) Cost Allocation

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs, supporting services benefited based on estimates made by management. These costs include salaries and wages and office and meeting expenses allocated by time spent, square footage and usage of assets.

Advertising costs are expensed as incurred. They were \$966 for the year ended December 31, 2023.

9) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

10) Grants and contracts receivable:

Grants and receivables consist of monies due from donors and funders. No allowance for uncollectable balances is necessary for December 31, 2023.

12) Promises to give:

Unconditional promises to give are recognized when the promise to give is made.

At December 31, 2022 a grant receivable of \$137,500 was made for funds to be expended in 2023. This grant was unconditional except for the time restriction. It was received in total prior to the issuance date of these financial statements

Note 2. Income Tax Status

LEAD Girls is exempt from federal income taxes under Section 501(c)3 of the Internal Revenue Code, and is also exempt from North Carolina Income Taxes. Therefore no provision has been made for income taxes. The tax years ended December 31, 2021, 2022 and 2023 remain open to examination by the Internal Revenue Service.

Note 3. Leases

LEAD Girls has an operating monthly lease. Rent expense for the year was \$16,193. There are no future lease commitments.

Note 4. Net Assets

Donor restricted assets were \$47,297 at December 31, 2023.

Note 5. Compensated Absences

Compensated absences must be taken by year end. No carryover is allowed.

Note 6. Related Party Transactions

There were no significant related party transactions during the year ended December 31, 2023.

Note 7. Concentrations

LEAD Girls is reliant upon the continued existence of, and appropriations to certain programs to fund its operations. Should these funds become unavailable it would have a negative impact upon the Organization. It is also dependent upon the economic conditions in the Winston-Salem/Forsyth County area. All bank balances throughout the year were covered by federal deposit insurance.

Note 8. Subsequent Events and Management Review

Management has evaluated events subsequent to December 31, 2023 through the date of this report. There were no occurrences that would require any modification to these financial statements.

Note 9. Liquidity and Availability

LEAD Girls has financial assets of \$521,911 available within one year of the statement of position date to meet cash needs for general expenditures. LEAD Girls manages liquidity needed for operations primarily through budgeted monthly cash inflows and outflows. Cash inflows can be predicted by expected unrestricted grant income and support that is received year by year. Cash outflows are planned accordingly so to not exceed those inflows.

Financial assets at year end	\$ 521,911
Less those unavailable for general expenditures within one year	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 521,911</u>

Note 10. Pensions

The Organization maintains a defined contribution pension plan for certain employees. Contributions by the organization were \$3,119 for the year ended December 31, 2023.