

GIRLS EDUCATION COLLABORATIVE, INC.

**Financial Statements
(Cash Basis)**

December 31, 2018

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Girls Education Collaborative, Inc.
Buffalo, New York

We have reviewed the accompanying financial statements of the Girls Education Collaborative, Inc. (a not-for-profit corporation), which comprise the statements of assets, liabilities, and net assets – cash basis as of December 31, 2018 and 2017, and the related statements of revenues, expenses, and changes in net assets - cash basis, and functional expenses - cash basis for the years 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 the Organization's 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 the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Accountant's 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 the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Richard A. Romer, CPA, LLC

Richard A. Romer CPA, LLC

July 9, 2019

GIRLS EDUCATION COLLABORATIVE, INC.

Statements of Assets, Liabilities and Net Assets - Cash Basis

December 31,	2018	2017
Assets		
Cash and cash equivalents	\$ 156,028	\$ 159,206
Equipment, less accumulated depreciation of \$3,202	-	-
	<u>\$ 156,028</u>	<u>\$ 159,206</u>
Liabilities		
Credit card payable	\$ 2,765	\$ 3,010
Net Assets		
Net assets without donor restrictions	<u>153,263</u>	<u>156,196</u>
	<u>\$ 156,028</u>	<u>\$ 159,206</u>

See accompanying notes and independent accountants' review report.

GIRLS EDUCATION COLLABORATIVE, INC.

**Statements of Revenues, Expenses and
Changes in Net Assets - Cash Basis**

For the years ended December 31,	2018	2017
Revenues:		
Contributions:		
Projects	\$ 75,738	\$ 113,353
General	219,043	130,123
Core support	24,926	81,979
Investment income (loss)	(815)	1,772
	<u>318,892</u>	<u>327,227</u>
Expenses:		
Program	204,186	151,997
Management and general	29,753	27,289
Fundraising	87,886	112,500
	<u>321,825</u>	<u>291,786</u>
Total		
Excess of expenses over revenues	(2,933)	35,441
Net assets without donor restrictions - beginning	<u>156,196</u>	<u>120,755</u>
Net assets without donor restrictions - ending	<u>\$ 153,263</u>	<u>\$ 156,196</u>

GIRLS EDUCATION COLLABORATIVE, INC.

Statement of Functional Expenses - Cash Basis

For the year ended December 31, 2018

	Program - Project	Management and General	Fund- Raising	Total
Projects:				
General	\$ 92,608	\$ -	\$ -	\$ 92,608
Grants	47,188	-	-	47,188
Kitenga oversight	9,018	-	-	9,018
Classroom block	6,528	-	-	6,528
Betsy's house/furnishings	619	-	-	619
Road	-	-	-	-
Library	-	-	-	-
Science and Technology Center	-	-	-	-
Payroll	34,573	16,654	58,750	109,977
Payroll taxes and benefits	7,679	1,541	6,005	15,225
Professional fees	2,096	4,267	5,682	12,045
Fundraising	-	-	10,773	10,773
Rent, parking and utilities	2,070	1,600	3,193	6,863
Insurance	352	3,802	307	4,461
Miscellaneous	26	1,026	2,023	3,075
Office expense	927	436	430	1,793
Telephone	492	422	690	1,604
Professional development	10	5	33	48
Conferences	-	-	-	-
	<u>\$ 204,186</u>	<u>\$ 29,753</u>	<u>\$ 87,886</u>	<u>\$ 321,825</u>

GIRLS EDUCATION COLLABORATIVE, INC.

Statement of Functional Expenses - Cash Basis

For the year ended December 31, 2017

	Program - Project	Management and General	Fund- Raising	Total
Projects:				
Classroom block	\$ 53,960	\$ -	\$ -	\$ 53,960
Grants	25,718	-	-	25,718
Kitenga oversight	10,523	-	-	10,523
General	10,000	-	-	10,000
Betsy's house/furnishings	4,167	-	-	4,167
Science and Technology Center	2,988	-	-	2,988
Library	1,237	-	-	1,237
Payroll	30,141	16,410	47,576	94,127
Fundraising	-	-	40,341	40,341
Professional fees	3,958	2,352	14,046	20,356
Payroll taxes and benefits	3,707	2,125	4,752	10,584
Rent, parking and utilities	2,543	1,288	2,753	6,584
Insurance	420	3,519	424	4,363
Office expense	1,269	955	1,374	3,598
Miscellaneous	899	598	559	2,056
Telephone	315	24	315	654
Professional development	152	18	170	340
Conferences	-	-	190	190
	<u>\$ 151,997</u>	<u>\$ 27,289</u>	<u>\$ 112,500</u>	<u>\$ 291,786</u>

See accompanying notes and independent accountants' review report.

1. Summary of Significant Accounting Policies:

Nature of Organization:

The Girls Education Collaborative, Inc. (GEC) was launched as a non-profit corporation in January 2012. Incubated within the Buffalo Tanzania Education Project (BTEP), an initiative of the University at Buffalo's Center for Educational Collaboration, GEC developed as a separate organization in order to broaden work already underway. Working in developing countries the GEC mission is to bring together local and global participants around grass roots, community driven projects where girls education is at the core. Bridging disciplinary boundaries to best address the needs of adolescent girls, GEC advances multi-sector engagement with the goal of building local capacity and sustainability. By leveraging resources and expertise, the aim is to support and augment efforts to advance girls education and address key interrelated needs such as health, infrastructure, economic and community development.

Basis of Presentation:

The accompanying financial statements have been prepared on the cash basis of accounting. Consequently, revenue and related assets are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present assets and changes therein in conformity with accounting principles generally accepted in the United States of America.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes thereto are classified and reported as follows:

Net assets without donor restrictions – consist of amounts that are available for use in carrying out the activities of the Organization and are not subject to donor-imposed stipulations.

Net assets with donor restrictions – consist of amounts subject to donor imposed stipulations that will be met by actions of the Organization and/or the passage of time, or

maintained in perpetuity in accordance with donor intentions. At December 31, 2018 and 2017, the Organization did not have net assets with donor restrictions.

Cash and Cash Equivalents:

The Organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. Cash in financial institutions may exceed insured limits at various times throughout the year and subject the Organization to concentrations of credit risk.

Contributions:

Contributions received are recorded as unrestricted or restricted support depending on the existence and nature of any donor restrictions. Contributions and support that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

Donated Services:

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. Many individuals however, volunteer their time and perform a variety of tasks that assist the Organization with specific programs, contribution solicitations, and various committee assignments.

Cost Allocation:

The Organization's costs of providing its various programs and activities have been summarized on a functional basis in the statements of functional expenses - cash basis. Accordingly, certain costs have been allocated among the program and supporting services benefited based on the efforts put forth by employees of the Organization.

Tax Status:

The Organization is a 501(c)(3) corporation exempt from income taxes under Section 509(a)(1) of the Internal Revenue Code and accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

The Organization has reviewed its operations for uncertain tax positions and believes there are no significant exposures. The Organization will include interest on income tax liabilities in interest expense and penalties in operations if such amounts arise. There were no penalties or interest for the years ended December 31, 2018 and 2017.

The Organization files its Return of Organization Exempt from Income Tax in the U.S. federal jurisdiction and its Annual Filing of Charitable Organizations in New York State.

The Organization believes it is no longer subject to examination by the Internal Revenue Service for the years prior to 2015.

Use of Estimates:

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

Recent Accounting Pronouncement:

Effective January 1, 2018, the Organization adopted Accounting Standard Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding

liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. The Organization’s net assets previously reported as unrestricted are now reported as net assets without donor restrictions and previously reported as temporarily restricted net asset are now reported as net assets with donor restrictions.

Subsequent Events:

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through July 9, 2019 (the date the financial statements were available to be issued).

2. Lease:

The Organization leases its primary office on a month to month basis at an annual rent of approximately \$5,000.

3. Liquidity and Availability of Financial Assets:

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available, if applicable, for general use because of contractual or donor-imposed restrictions within one year of December 31.

	2018	2017
Financial assets:		
Cash and cash equivalents	<u>\$ 156,028</u>	<u>\$ 159,206</u>

The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses which is approximately \$80,000. As part of its liquidity plan, excess cash is invested in savings accounts