

Girls Education Collaborative, Inc.

Financial Statements
As of December 31, 2019 and 2018
Together With
Independent Accountant's Review Report

Girls Education Collaborative, Inc.

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INDEPENDENT ACCOUNTANT'S 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 statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2019, and the related statements of revenues, expenses, and changes in net assets – modified cash basis, and functional expenses – modified cash basis 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 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 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 modified cash basis of accounting; this includes determining that the modified 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 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 accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified 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.

Report on 2018 Financial Statements

The financial statements and supplementary information of Girls Education Collaborative, Inc., as of December 31, 2018 were reviewed by Richard A. Romer CPA, LLC, who merged with Allied CPAs, PC during 2019 and whose report dated July 9, 2019 stated that based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with the modified cash basis of accounting.

Allied CPAs, P.C.

Tonawanda, New York
November 12, 2020

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GIRLS EDUCATION COLLABORATIVE, INC
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
AS OF DECEMBER 31,

ASSETS

	2019	2018
<u>ASSETS</u>		
Cash and cash equivalents	\$ 136,932	\$ 156,028
Equipment, less accumulated depreciation of \$3,202	-	-
TOTAL ASSETS	\$ 136,932	\$ 156,028

LIABILITIES AND NET ASSETS

<u>LIABILITIES</u>		
Credit card payable	\$ 1,517	\$ 2,765
TOTAL LIABILITIES	1,517	2,765
<u>NET ASSETS</u>		
Net assets without donor restriction	135,415	153,263
TOTAL LIABILITIES AND NET ASSETS	\$ 136,932	\$ 156,028

See independent accountant's review report
and notes to financial statements

GIRLS EDUCATION COLLABORATIVE, INC
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2019</u>	<u>2018</u>
<u>REVENUES:</u>		
Contributions:		
Projects	\$ 188,938	\$ 75,738
General	203,439	219,043
Core support	16,086	24,926
Investment income (loss)	<u>(233)</u>	<u>(815)</u>
TOTAL REVENUE	<u>408,230</u>	<u>318,892</u>
 <u>EXPENSES:</u>		
Program	285,906	204,186
Management and general	28,560	29,753
Fundraising	<u>111,612</u>	<u>87,886</u>
TOTAL EXPENSES	<u>426,078</u>	<u>321,825</u>
 Excess of expenses over revenues	 (17,848)	 (2,933)
 Net assets without donor restrictions - beginning	 <u>153,263</u>	 <u>156,196</u>
 Net assets without donor restrictions - ending	 <u>\$ 135,415</u>	 <u>\$ 153,263</u>

See independent accountant's review report
and notes to financial statements

GIRLS EDUCATION COLLABORATIVE, INC
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program - Project</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Projects:				
Dorm 2	\$ 112,874	\$ -	\$ -	\$ 112,874
Kitenga school program	26,460	-	-	26,460
Girls scholarships	18,800	-	-	18,800
Building water resources	12,750	-	-	12,750
Kitenga project oversight	10,041	-	-	10,041
Launch a leader	5,300	-	-	5,300
Technology grant	4,700	-	-	4,700
Misc program	289	-	-	289
Payroll	59,300	16,100	59,100	134,500
Payroll taxes and benefits	6,569	1,784	6,546	14,899
Professional fees	2,604	3,709	6,448	12,761
Professional development	-	1,847	-	1,847
Rent, parking and utilities	1,895	1,264	3,159	6,318
Miscellaneous	4,626	786	836	6,247
Insurance	453	2,745	452	3,650
Office expense	716	143	857	1,716
Communication	16,561	182	17,222	33,965
Fundraising	-	-	15,023	15,023
Conferences	1,968	-	1,969	3,937
	<u>\$ 285,906</u>	<u>\$ 28,560</u>	<u>\$ 111,612</u>	<u>\$ 426,078</u>

See independent accountant's review report
and notes to financial statements

GIRLS EDUCATION COLLABORATIVE, INC
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program - Project</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
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
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
Professional development	10	5	33	48
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
Fundraising	-	-	10,773	10,773
Communication	492	422	690	1,604
	<u>\$ 204,186</u>	<u>\$ 29,753</u>	<u>\$ 87,886</u>	<u>\$ 321,825</u>

See independent accountant's review report
and notes to financial statements

GIRLS EDUCATION COLLABORATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 1 – Nature of Activities

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 need such as health, infrastructure, economic and community development.

Note 2 – Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the modified 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.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958-205-45. Under ASC Topic 958-205-45, the GEC is required to report 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.

Net Assets Without Donor Restrictions – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for any purpose in performing the primary objectives of the Organization. From time to time, the Board may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and / or purpose restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. At December 31, 2019 and 2018, 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 risks.

Revenue Recognition

Revenue from various contracts is recognized as related expenses are incurred. Revenue from contracts that provide a subsidy for the operations of the Organization is recognized at the time of award. Contributions are recognized as revenue in the year an unconditional promise to give is received and are recorded at fair value.

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 restrictions.

GIRLS EDUCATION COLLABORATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

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, contributions solicitations, and various committee assignment.

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 – modified cash basis. Accordingly, certain costs have been allocated to program and supporting services benefited based on the efforts put forth by employees of the Organizations.

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

Use of Estimates

The preparation of financial statements in conformity with the modified 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.

New Accounting Pronouncement

In May of 2014, FASB issued ASU 2014-09, "Revenue from Contracts with Customers" (Topic 606). The Organization has adopted the new revenue recognition guidance during the year ended December 31, 2019 and has applied the standard retrospectively for the year ended December 31, 2018. Adoption of the guidance did not result in a material change in the timing or pattern of revenue recognition.

Note 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.

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 136,932	\$ 145,633
Total financial assets available within one year	<u>136,932</u>	<u>145,633</u>
Less:		
Amounts unavailable for general expenditures within one year due to:	<u>-</u>	<u>-</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 136,932</u>	<u>\$ 145,633</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses which is approximately \$105,000. As part of its liquidity plan, excess cash is invested in the savings accounts.

GIRLS EDUCATION COLLABORATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 4 – Lease

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

Note 5 - Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through November 12, 2020, the date with the financial statements were available to be issued.

Subsequent to December 31, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. These limitations may limit the Organization's ability to conduct activities on a global basis. There is also unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. This uncertainty and the economic uncertainty in particular may reduce the Organization's ability to raise money to fund its operations. While management cannot quantify the financial and other impacts to the Organization, there is a reasonable possibility that the impact on the Organization's financial position and results of future operations could be material.