

Girls Education Collaborative, Inc.

Financial Statements
As of December 31, 2020 and 2019
Together With
Independent Accountant's Review Report

Girls Education Collaborative, Inc.

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Accountant's Review Report	1
Statements of Assets, Liabilities and Net Assets - Modified Cash Basis	2
Statements of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis	3
Statements of Functional Expenses - Modified Cash Basis	4 - 5
Notes to Financial Statements	6 - 9



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, 2020 and 2019, and the related statements of revenues, expenses, and changes in net assets – modified cash basis, and functional expenses – modified 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 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 engagements 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.

Tonawanda, New York

DATE

BUFFALO

36 Niagara Street
Tonawanda, NY 14150
P: (716) 694-0336

COOPERSTOWN

55-57 Grove Street
Cooperstown, NY 13326
P: (607) 282-4161

ONEONTA

189 Main Street, Suite 302
Oneonta, NY 13820
P: (607) 432-3462

PERRY

199 S. Main Street, PO Box 1
Perry, NY 14530
P: (585) 237-3887

ROCHESTER

150 State Street, Suite 301 A
Rochester, NY 14614
P: (585) 410-6733

VICTOR

6536 Anthony Drive, Suite B
Victor, NY 14564
P: (585) 410-6733

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

ASSETS

	2020	2019
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 119,498	\$ 136,932
Equipment, less accumulated depreciation of \$3,202	-	-
TOTAL ASSETS	\$ 119,498	\$ 136,932

LIABILITIES AND NET ASSETS

<u>LIABILITIES</u>		
Credit card payable	\$ 2,503	\$ 1,517
<u>NET ASSETS</u>		
Net assets without donor restriction	116,995	135,415
TOTAL LIABILITIES AND NET ASSETS	\$ 119,498	\$ 136,932

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,

	2020	2019
<u>REVENUES:</u>		
Contributions:		
Projects	\$ 169,370	\$ 188,938
General	180,429	203,439
Core support	1,000	16,086
Contributed rent	4,725	-
Investment income (loss)	(140)	(233)
TOTAL REVENUE	355,384	408,230
 <u>EXPENSES:</u>		
Program	285,224	285,906
Management and general	30,150	28,560
Fundraising	86,731	111,612
TOTAL EXPENSES	402,104	426,078
 <u>OTHER INCOME:</u>		
Debt forgiveness - Paycheck Protection Program	28,300	-
Excess of expenses over revenues	(18,420)	(17,848)
Net assets without donor restrictions - beginning	135,415	153,263
Net assets without donor restrictions - ending	\$ 116,995	\$ 135,415

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, 2020

	<u>Program - Project</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Projects:				
Guest House	\$ 96,010	\$ -	\$ -	\$ 96,010
Kitenga school program	42,433	-	-	42,433
Kesho	40,440	-	-	40,440
Administrative Building	26,665	-	-	26,665
Kitenga project oversight	4,089	-	-	4,089
Dorm 2	4,000	-	-	4,000
Payroll	55,833	19,833	59,500	135,167
Payroll taxes and benefits	7,665	2,723	8,168	18,557
Professional fees	2,352	780	3,912	7,044
Professional development	500	1,470	960	2,930
Rent, parking and utilities	723	482	1,206	2,411
Donated rent	1,418	945	2,363	4,725
Miscellaneous	1,727	165	330	2,221
Insurance	-	3,302	-	3,302
Office expense	259	172	431	862
Communication	1,009	277	1,312	2,599
Fundraising	-	-	8,449	8,449
Conferences	101	-	100	201
	<u>\$ 285,224</u>	<u>\$ 30,150</u>	<u>\$ 86,731</u>	<u>\$ 402,104</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	6,248
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.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, 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.

Land, Buildings and Equipment

Land, buildings and equipment are stated at cost. Donated assets are recorded as contributions at their estimated fair market values at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Any assets donated with explicit restrictions regarding their use are reported as contributions with donor restrictions. Depreciation is computed using the straight-line method over estimated useful assets lives ranging from three to forty years. Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

GIRLS EDUCATION COLLABORATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Organization now must recognize their revenue from contracts using the following five step process: 1) Identify the contract(s) with a customer, 2) Identify the performance obligations in the contract, 3) Determine the transaction price, 4) Allocate the transaction price to the performance obligations in the contract, and 5) Recognize revenue as the Organization satisfies a performance obligation. 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 as funds are received. Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. In addition, the Organization's contracts do not contain variable consideration and contract modifications are generally minimal.

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.

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.

GIRLS EDUCATION COLLABORATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 119,498	\$ 136,932
Total financial assets available within one year	<u>119,498</u>	<u>136,932</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>\$ 119,498</u>	<u>\$ 136,932</u>

As a part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligation come due.

Note 4 – Lease

The Organization leases its primary office on a month-to-month basis. The estimated value of office rent is approximately \$5,000 and has been reflected in the accompanying statement of revenues, expenses and changes in net assets – modified basis as contributions of rent and contributed rent expense.

Note 5 – Paycheck Protection Program Loan

On May 5, 2020, the Organization entered into a Promissory Note with Five Star Bank in an aggregate principal amount of \$28,300 (the "Note"), pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act").

The Note matures two years from the disbursement date and bears interest at a rate of 1.00% per annum, with the first six months of payments deferred. Following the initial six month period, principal and interest are payable monthly, and may be prepaid at any time prior to maturity with no prepayment penalties.

Under the terms of the CARES Act, recipients of the PPP loan can apply for and be granted forgiveness for all or a portion of the loans granted under the PPP. The Note is subject to forgiveness to the extent the proceeds are used for payroll costs and payments on mortgage interest, rent, utilities, and interest on other debt obligations.

Subsequent to year-end, the Organization received full forgiveness of the loan under the CARES Act. As such, the PPP Loan has been reflected as revenue on the accompany statements of income.

GIRLS EDUCATION COLLABORATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 6 - Subsequent Events

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

Subsequent to December 31, 2020, 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.