

GIRL BE HEARD INSTITUTE

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

DECEMBER 31, 2014

GIRL BE HEARD INSTITUTE

Index

	<u>Page</u>
Independent Auditors' Report	1
Statement of financial position as of December 31, 2014	2
Statement of activities for the year ended December 31, 2014	3
Statement of cash flows for the year ended December 31, 2014	4
Statement of functional expenses for the year ended December 31, 2014	5
Notes to financial statements	6 - 9



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INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of
Girl Be Heard Institute

We have audited the accompanying financial statements of Girl Be Heard Institute (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, cash flows, and functional expenses for the year 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.

Auditor's 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 auditor's 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 Girl Be Heard Institute 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.

New York, NY
August 11, 2015

Skody Scot & Company, CPAs, P.C.

**GIRL BE HEARD INSTITUTE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014**

ASSETS

Cash	\$ 330,268
Contribution and other receivables	145,592
Prepaid expenses	1,573
	<hr/>
Total assets	<u>\$ 477,433</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 33,899
Deferred income	20,000
	<hr/>
Total liabilities	53,899
Commitments and contingencies (see notes)	
Net Assets:	
Unrestricted	398,534
Temporarily restricted	25,000
Permanently restricted	-
	<hr/>
Total net assets	423,534
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Total liabilities and net assets	<u>\$ 477,433</u>

See accompanying notes to financial statements.

**GIRL BE HEARD INSTITUTE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

Support and Revenues:

Unrestricted:

Program service revenue	\$ 42,202
Contributions	482,239
Contributions in-kind	16,953
Government grants	211,327
Special events:	
Contributions	119,373
Exchange portion of tickets	43,246
Less: related direct costs	(22,579)
Net special event income	<u>140,040</u>
Interest income	57
Other income	2,623
Release of prior year restrictions	62,500
Temporarily Restricted:	
Contributions	25,000
Release of prior years restrictions	(62,500)
Total support and revenues	<u>920,441</u>

Expenses:

Program Expenses:

Touring, Education and Advocacy	<u>445,478</u>
Total program expenses	445,478
Management and general	148,989
Fundraising	<u>78,293</u>
Total expenses	<u>672,760</u>

Increase In Net Assets:

Unrestricted	285,181
Temporarily restricted	(37,500)
Permanently restricted	-
Increase in net assets	<u>247,681</u>

Net assets, beginning of year	<u>175,853</u>
Net assets, end of year	<u><u>\$ 423,534</u></u>

See accompanying notes to financial statements.

**GIRL BE HEARD INSTITUTE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014**

Cash flows from operating activities:	
Increase/(decrease) in net assets	\$ 247,681
Adjustments for non-cash items included in operating activities:	
Loss on asset disposal	1,397
Changes in assets and liabilities:	
Accounts payable and accrued expenses	29,457
Deferred income	(1,119)
Prepaid expenses	(1,124)
Contribution and other receivables	(110,526)
Net cash provided by operating activities	<u>165,766</u>
Cash flows from investing activities:	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net increase/(decrease) in cash	165,766
Cash, at beginning of year	<u>164,502</u>
Cash, at end of year	<u><u>\$ 330,268</u></u>

See accompanying notes to financial statements.

**GIRL BE HEARD INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014**

	Program Expenses	Supporting Services		Total Expenses
	Touring, Education and Advocacy	Management & General	Fundraising	
Staff salaries	\$ 302,158	\$ 39,103	\$52,726	\$ 393,987
Payroll taxes	29,472	3,814	5,143	38,429
Consultants and contractors	8,731	8,125	4,000	20,856
Advertising & promotion	265	2,708	857	3,830
Insurance	2,902	3,516	-	6,418
Loss on asset disposal	-	1,397	-	1,397
Office supplies & expenses	4,462	32,408	1,429	38,299
Postage & delivery	224	321	51	596
Printing	806	1,618	107	2,531
Professional fees	500	25,721	11,579	37,800
Rent & utilities	29,007	25,881	-	54,888
Travel and meetings	66,951	4,377	2,401	73,729
Total expenses	<u>\$ 445,478</u>	<u>\$ 148,989</u>	<u>78,293</u>	<u>\$ 672,760</u>

See accompanying notes to financial statements.

GIRL BE HEARD INSTITUTE NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The Company

Girl Be Heard Institute (Organization), a not-for-profit organization, was incorporated under the name Project Girl Performance Collective Institute in the State of Delaware on June 28, 2011. The Organization filed a Certificate of Amendment in the State of Delaware on March 15, 2013, which changed its name to the current legal name. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements include any uncertain tax positions. The Organization primarily receives its support from contributions and grants from individuals and foundations, and from program service revenue.

The Organization is a not-for-profit theatre company that brings global issues affecting girls center stage by empowering young women to tell their stories. The Touring, Education and Advocacy program develops and strengthens girls' voices by providing school and community based projects that engage young women, between the ages of 12 and 21, through a series of writing prompts, readings, theatre exercises and discussions.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

In accordance with GAAP the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of financial position and the statement of cash flows, the Organization considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposit, with an original maturity of three months or less. As of December 31, 2014, the Organization did not have any resources that were considered cash equivalents.

**GIRL BE HEARD INSTITUTE
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (continued)

Revenue Recognition

Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increases in the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Program service revenue relates to fees received in exchange for program services. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred income.

In accordance with grant provisions, grants are recorded as revenue when earned, either through expenditure or accomplishment of a specific goal or benchmark. All unreimbursed expenses as of the period-end are recorded as grant receivable and all advanced funds not expended are recorded as refundable advances or deferred income.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries based on estimated time and other expenses are allocated based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Contribution and Other Receivables

Contribution and other receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectable contributions.

Note 2 - Contributions In-Kind

Contributions in-kind received are in the form of services, in lieu of cash payments. The estimated fair value of these contributions is reported as support and expense in the period in which the services are received. During the year ended December 31, 2014, in-kind contributions mainly consisted of free facilities and printing with a total fair market value of \$16,953.

**GIRL BE HEARD INSTITUTE
NOTES TO FINANCIAL STATEMENTS**

Note 3 - Commitments and Contingencies

The Organization maintains its cash accounts with financial institutions. Balances that exceed the Federal Deposit Insurance Corporation insurance coverage are summarized for the year ended December 31, 2014 as follows:

Institution balances	\$ 329,785
Less: Amounts covered	<u>(250,000)</u>
Uninsured amounts	\$ <u>79,785</u>

The Organization leases space under a three year, noncancellable operating lease. As of December 31, 2014, minimum aggregate annual rentals are as follows:

Year ended December 31, 2015	\$ 20,100
2016	8,375

Total rent and utilities expenses charged to operations for the year ended December 31, 2014, was \$54,888.

Note 4 - Fundraising Expenses

The Organization conducted activities that included direct solicitations for sponsorships (fundraising). The costs of personnel conducting those sponsorship activities included fundraising, administrative and program expenses (collectively defined as joint costs). The total joint (allocated) costs for the year ended December 31, 2014 is as follows:

Program expenses	\$ 47,872
Management and general	12,716
Fundraising	<u>14,212</u>
Total joint costs	\$ <u>74,800</u>

Note 5 - Restrictions on Net Assets

Temporarily restricted net assets are available in future years for the following purposes:

Educational conference costs	\$ 15,000
Development consultant	5,000
Intern costs	5,000

**GIRL BE HEARD INSTITUTE
NOTES TO FINANCIAL STATEMENTS**

Note 6 - Government Grants

During the year ended December 31, 2014, the Organization had various grants from governmental agencies in effect. Details of these government grants, summarized by grantor, are as follows:

<u>Grantor</u>	<u>Total Award</u>	<u>Recognized in 2014</u>
US Dept. of State	\$ 57,884	\$ 57,884
NYC DCA	273,055	142,153
UK Government	11,330	11,290

Note 7 - Deferred Income

During the year ended December 31, 2014, the Organization was awarded a \$175,000 conditional grant of which \$75,000 was received as of the end of the year. The \$20,000 balance in deferred income as of December 31, 2014 represents the portion of the \$75,000 receipt which was not expended.

Note 8 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures through August 11, 2015, which is the date the financial statements were available to be issued.