

GIRL BE HEARD INSTITUTE

Financial Statements

For the Years Ended December 31, 2017 and 2016

 **BUCHBINDER**

GIRL BE HEARD INSTITUTE
For the Years Ended December 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Girl Be Heard Institute

Report on the Financial Statements

We have audited the accompanying financial statements of Girl Be Heard Institute (the "Institute"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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 from 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.

One Pennsylvania Plaza
Suite 3500
New York, New York 10119
212.695.5003

6720-A Rockledge Drive
Suite 510
Bethesda, Maryland 20817
240.200.1400

150 Clove Road
5th Floor
Little Falls, New Jersey 07424
973.812.0100

Buchbinder Tunick & Company LLP
Certified Public Accountants
buchbinder.com
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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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Buchbinder Tunick & Company LLP

BUCHBINDER TUNICK & COMPANY LLP

New York, NY
May 11, 2018

GIRL BE HEARD INSTITUTE
Statements of Financial Position
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Assets:		
Cash and cash equivalents	\$ 699,719	\$ 872,028
Contributions and other receivables	343,588	227,599
Prepaid expenses	10,985	6,688
Property assets, net	<u>11,133</u>	<u>9,344</u>
Total assets	<u>\$ 1,065,425</u>	<u>\$ 1,115,659</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 47,404	\$ 38,199
Deferred income	<u>35,000</u>	<u>65,960</u>
Total liabilities	<u>82,404</u>	<u>104,159</u>
Commitments		
Net assets:		
Unrestricted	950,521	933,863
Temporarily restricted	<u>32,500</u>	<u>77,637</u>
Total net assets	<u>983,021</u>	<u>1,011,500</u>
Total liabilities and net assets	<u>\$ 1,065,425</u>	<u>\$ 1,115,659</u>

See notes to financial statements.

GIRL BE HEARD INSTITUTE
Statements of Activities
For the years ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenues:						
Contributions	\$ 408,050	\$ 480,000	\$ 888,050	\$ 673,028	\$ 137,500	\$ 810,528
Government grants	-	387,552	387,552	-	438,790	438,790
Special event revenue, net of costs of donor benefits of \$121,368 and \$67,278 for the years ended December 31, 2017 and 2016, respectively	203,651	-	203,651	229,058	-	229,058
Program service revenue	42,416	-	42,416	76,606	-	76,606
Interest income	212	-	212	156	-	156
Other income	1,499	-	1,499	1,242	-	1,242
Net assets released from purpose restrictions	912,689	(912,689)	-	528,653	(528,653)	-
Total support and revenue	1,568,517	(45,137)	1,523,380	1,508,743	47,637	1,556,380
Expenses:						
Program expenses:						
Touring, education and advocacy	1,163,792	-	1,163,792	818,416	-	818,416
Total program expenses	1,163,792	-	1,163,792	818,416	-	818,416
Supporting services:						
Fundraising	219,043	-	219,043	131,718	-	131,718
Management and general	169,024	-	169,024	139,381	-	139,381
Total supporting services	388,067	-	388,067	271,099	-	271,099
Total expenses	1,551,859	-	1,551,859	1,089,515	-	1,089,515
Change in net assets	16,658	(45,137)	(28,479)	419,228	47,637	466,865
Net assets:						
Beginning of year	933,863	77,637	1,011,500	514,635	30,000	544,635
End of year	\$ 950,521	\$ 32,500	\$ 983,021	\$ 933,863	\$ 77,637	\$ 1,011,500

See notes to financial statements.

GIRL BE HEARD INSTITUTE
Statements of Functional Expenses
For the years ended December 31, 2017 and 2016

	2017				2016			
	Program Expenses	Supporting Services			Program Expenses	Supporting Services		
	Touring, Education and Advocacy	Management and General	Fundraising	Total Expenses	Touring, Education and Advocacy	Management and General	Fundraising	Total Expenses
Staff salaries	\$ 771,041	\$ 107,736	\$ 147,932	\$ 1,026,709	\$ 515,233	\$ 77,535	\$ 83,673	\$ 676,441
Payroll taxes and employee benefits	95,231	9,272	21,697	126,200	70,419	6,133	13,492	90,044
Consultants and contractors	89,337	11,493	33,525	134,355	76,258	3,024	23,562	102,844
Advertising and promotion	2,056	202	1,149	3,407	4,580	-	3,627	8,207
Insurance	11,788	1,021	1,105	13,914	7,501	986	679	9,166
Office supplies and expenses	88,579	9,722	7,748	106,049	47,178	24,193	3,880	75,251
Postage and delivery	627	41	33	701	469	58	31	558
Printing	8,915	580	481	9,976	8,895	1,109	580	10,584
Professional fees	3,506	23,670	2,580	29,756	16,878	21,420	-	38,298
Rent and utilities	44,389	1,495	1,432	47,316	35,346	2,778	1,452	39,576
Travel and meetings	39,087	3,480	1,103	43,670	32,178	1,761	541	34,480
Scholarships - awarded	4,452	-	-	4,452	400	-	-	400
Depreciation	4,784	312	258	5,354	3,081	384	201	3,666
	<u>\$ 1,163,792</u>	<u>\$ 169,024</u>	<u>\$ 219,043</u>	<u>\$ 1,551,859</u>	<u>\$ 818,416</u>	<u>\$ 139,381</u>	<u>\$ 131,718</u>	<u>\$ 1,089,515</u>
Total								

See notes to financial statements.

GIRL BE HEARD INSTITUTE
Statements of Cash Flows
For the years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ (28,479)	\$ 466,865
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	5,354	3,666
Changes in assets and liabilities:		
(Increase) in contributions and other receivables	(115,989)	(16,999)
(Increase) decrease in prepaid expenses	(4,297)	572
Increase in accounts payable and accrued expenses	9,205	7,187
(Decrease) increase in deferred income	<u>(30,960)</u>	<u>32,760</u>
Net cash (used in) provided by operating activities	<u>(165,166)</u>	<u>494,051</u>
Cash flows from investing activities:		
(Purchase) of property assets	<u>(7,143)</u>	<u>(6,077)</u>
Net cash (used in) investing activities	<u>(7,143)</u>	<u>(6,077)</u>
Net (decrease) increase in cash and cash equivalents	(172,309)	487,974
Cash and cash equivalents:		
Beginning of year	<u>872,028</u>	<u>384,054</u>
End of year	<u>\$ 699,719</u>	<u>\$ 872,028</u>

See notes to financial statements.

GIRL BE HEARD INSTITUTE
Notes to Financial Statements
December 31, 2017 and 2016

Note 1 - Nature of Operations

Girl Be Heard Institute (the "Institute"), 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 Institute, through its Touring, Education and Advocacy Program, develops, amplifies and celebrates the voices of young women through socially conscious theatre-making.

The Institute primarily receives its support from contributions and grants from individuals and governmental agencies. The Institute adheres to the New York Prudent Management of Institutional Funds Act, and the New York State Non-Profit Revitalization Act of 2013.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Institute 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. As of December 31, 2017 and 2016, the Institute did not have any permanently restricted net assets.

Basis of Accounting

The Institute's financial statements are presented on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

GIRL BE HEARD INSTITUTE
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Institute considers investments with a maturity of three months or less at time of purchase to be cash equivalents.

Contributions and Other Receivables

Contributions 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.

Property Assets

Property assets are stated at cost. Repairs and maintenance, which do not materially extend the life of an asset, are expensed as incurred. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets.

Restricted and Unrestricted Revenue and Support

Contributions are considered available for the Institute'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 grants receivable, and all advanced funds not expended are recorded as refundable advances, or deferred income.

GIRL BE HEARD INSTITUTE
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Institute files an annual Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service ("IRS"). At December 31, 2017, the Institute's Form 990s for the years 2014 through 2017 remain eligible for examination by the IRS.

Subsequent Events

During the 2017 year, a claim was brought against the Institute. In March of 2018, a settlement was entered into which was substantially covered by insurance.

The Institute has evaluated subsequent events and transactions through May 11, 2018, the date that the financial statements were available to be issued.

Note 3 - Risks and Uncertainties

The Institute maintains its cash balances at a major money center financial institution. Balances fluctuate during the year and may exceed the FDIC insurance limits. The Institute has not experienced any losses in such accounts and management does not anticipate nonperformance by the financial institution.

Note 4 - Net Property Assets

Property assets, stated at cost, consist of the following at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Computer equipment	\$ 23,203	\$ 16,060
Less: accumulated depreciation	<u>12,070</u>	<u>6,716</u>
Property assets, net	<u>\$ 11,133</u>	<u>\$ 9,344</u>

GIRL BE HEARD INSTITUTE
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 5 - Net Assets

Temporarily restricted net assets at December 31, 2017 and 2016 are being held in cash and are available for the following purposes:

	2017	2016
Touring, Education and Advocacy Program:		
Trinidad program	\$ -	\$ 52,637
Main stage show	-	20,000
Sunday workshops	5,000	5,000
Development and tour of devised theater piece	20,000	-
Professional development of Education Team	7,500	-
Temporarily restricted net assets	\$ 32,500	\$ 77,637

Note 6 - Government Grants

During the years ended December 31, 2017 and 2016, the Institute had various grants from governmental agencies in effect. Details of these government grants, summarized by grantor, are as follows:

2017:

Grantor	Amount Awarded During 2017	Amount Recognized During 2017
NYC DCA	\$ 356,600	\$ 154,640
U.S. Dept. of State	20,000	20,000
National Endowment for the Arts	20,000	20,000
Others	7,452	7,452

2016:

Grantor	Amount Awarded During 2016	Amount Recognized During 2016	Amount Recognized During 2017
NYC DCA	\$ 314,100	\$ 128,640	\$ 185,460
U.S. Dept. of State	120,350	120,350	-
National Endowment for the Arts	20,000	20,000	-

GIRL BE HEARD INSTITUTE
Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 7 - In-kind Contributions

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. In-kind contributions consisted mainly of free facilities and printing, with a total fair market value of \$107,099 during 2017 and \$69,878 during 2016.

Note 8 - Deferred Income

During the year ended December 31, 2017, the Institute was awarded a conditional grant totaling \$70,000 which was received as of the end of the year. The \$35,000 balance in deferred income as of December 31, 2017 represents the portion of the \$35,000 received which was not expended.

During the year ended December 31, 2016, the Institute was awarded two conditional grants totaling \$169,100, of which \$139,600 was received as of the end of the year. The \$65,960 balance in deferred income as of December 31, 2016 represents the portion of the \$139,600 received which was not expended.

Note 9 - Lease Commitments

The Institute's lease agreement for rent on the building it utilizes expired on December 31, 2017. Since expiration, the Institute has been paying rent on a month-to-month basis.

Rent and utilities expense was \$47,316 and \$39,576 for the years ended December 31, 2017 and 2016, respectively.

Note 10 - Tax Status

The Institute has been determined by the IRS to be exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code (the "IRC") and accordingly, no provision for federal, state or local income taxes has been recorded. The Institute does not believe its financial statements include any uncertain tax positions.