

GIRL BE HEARD INSTITUTE

Financial Statements

For the Years Ended December 31, 2018 and 2017



GIRL BE HEARD INSTITUTE
For the Years Ended December 31, 2018 and 2017

INDEX

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-14



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, 2018 and 2017, 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

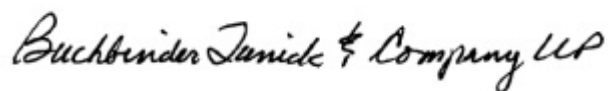
Buchbinder Tunick & Company LLP
Certified Public Accountants
buchbinder.com
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Opinion

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, 2018 and 2017, and its activities, its functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2018, the Institute adopted new accounting guidance ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. Our opinion is not modified with respect to that matter.



BUCHBINDER TUNICK & COMPANY LLP

New York, NY
May 8, 2019

GIRL BE HEARD INSTITUTE
Statements of Financial Position
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Assets:		
Cash and cash equivalents	\$ 882,206	\$ 699,719
Contributions and other receivables	620,070	343,588
Prepaid expenses and deposits	5,410	10,985
Property assets, net	<u>6,449</u>	<u>11,133</u>
Total assets	<u>\$ 1,514,135</u>	<u>\$ 1,065,425</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 23,634	\$ 47,404
Deferred income	<u>-</u>	<u>35,000</u>
Total liabilities	<u>23,634</u>	<u>82,404</u>
Net assets:		
Without donor restrictions:		
Undesignated	575,501	450,521
Board-designated financial reserve	<u>500,000</u>	<u>500,000</u>
	1,075,501	950,521
With donor restrictions	<u>415,000</u>	<u>32,500</u>
Total net assets	<u>1,490,501</u>	<u>983,021</u>
Total liabilities and net assets	<u>\$ 1,514,135</u>	<u>\$ 1,065,425</u>

See notes to financial statements.

GIRL BE HEARD INSTITUTE
Statements of Activities
For the years ended December 31, 2018 and 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:						
Contributions	\$ 603,128	\$ 688,000	\$ 1,291,128	\$ 408,050	\$ 480,000	\$ 888,050
Government grants	-	424,301	424,301	-	387,552	387,552
Special event revenue, net of costs of donor benefits of \$45,398 and \$121,368 for the years ended December 31, 2018 and 2017, respectively	244,225	-	244,225	203,651	-	203,651
Program service revenue	36,431	-	36,431	42,416	-	42,416
Interest income	393	-	393	212	-	212
Other income	60	-	60	1,499	-	1,499
Net assets released from purpose restrictions	729,801	(729,801)	-	912,689	(912,689)	-
Total support and revenue	1,614,038	382,500	1,996,538	1,568,517	(45,137)	1,523,380
Expenses:						
Program expenses:						
Touring, education and advocacy	1,066,960	-	1,066,960	1,163,792	-	1,163,792
Total program expenses	1,066,960	-	1,066,960	1,163,792	-	1,163,792
Supporting services:						
Fundraising	216,172	-	216,172	219,043	-	219,043
Management and general	205,926	-	205,926	169,024	-	169,024
Total supporting services	422,098	-	422,098	388,067	-	388,067
Total expenses	1,489,058	-	1,489,058	1,551,859	-	1,551,859
Change in net assets	124,980	382,500	507,480	16,658	(45,137)	(28,479)
Net assets:						
Beginning of year	950,521	32,500	983,021	933,863	77,637	1,011,500
End of year	\$ 1,075,501	\$ 415,000	\$ 1,490,501	\$ 950,521	\$ 32,500	\$ 983,021

See notes to financial statements.

GIRL BE HEARD INSTITUTE
Statements of Functional Expenses
For the years ended December 31, 2018 and 2017

	2018				2017			
	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	\$ 663,273	\$ 116,088	\$ 151,759	\$ 931,120	\$ 771,041	\$ 107,736	\$ 147,932	\$ 1,026,709
Payroll taxes and employee benefits	87,802	13,722	19,111	120,635	95,231	9,272	21,697	126,200
Consultants and contractors	80,172	17,964	13,787	111,923	89,337	11,493	33,525	134,355
Advertising and promotion	7,311	239	3,661	11,211	2,056	202	1,149	3,407
Insurance	11,614	954	1,194	13,762	11,788	1,021	1,105	13,914
Office supplies and expenses	65,496	10,543	13,662	89,701	82,011	5,244	7,430	94,685
Postage and delivery	45	113	496	654	627	41	33	701
Printing	4,448	2,108	503	7,059	8,915	580	481	9,976
Professional fees	6,907	31,977	268	39,152	3,506	23,670	2,580	29,756
Rent and utilities	101,626	7,971	7,610	117,207	44,389	1,495	1,432	47,316
Travel, training, and meetings	34,144	3,919	3,887	41,950	45,655	7,958	1,421	55,034
Scholarships - awarded	-	-	-	-	4,452	-	-	4,452
Depreciation	4,122	328	234	4,684	4,784	312	258	5,354
Total	<u>\$ 1,066,960</u>	<u>\$ 205,926</u>	<u>\$ 216,172</u>	<u>\$ 1,489,058</u>	<u>\$ 1,163,792</u>	<u>\$ 169,024</u>	<u>\$ 219,043</u>	<u>\$ 1,551,859</u>

See notes to financial statements.

GIRL BE HEARD INSTITUTE
Statements of Cash Flows
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 507,480	\$ (28,479)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,684	5,354
Changes in assets and liabilities:		
(Increase) in contributions and other receivables	(276,482)	(115,989)
Decrease (increase) in prepaid expenses	5,575	(4,297)
(Decrease) increase in accounts payable and accrued expenses	(23,770)	9,205
(Decrease) in deferred income	<u>(35,000)</u>	<u>(30,960)</u>
Net cash provided by (used in) operating activities	<u>182,487</u>	<u>(165,166)</u>
Cash flows from investing activities:		
(Purchase) of property assets	<u>-</u>	<u>(7,143)</u>
Net cash (used in) investing activities	<u>-</u>	<u>(7,143)</u>
Net increase (decrease) in cash and cash equivalents	182,487	(172,309)
Cash and cash equivalents:		
Beginning of year	<u>699,719</u>	<u>872,028</u>
End of year	<u>\$ 882,206</u>	<u>\$ 699,719</u>

See notes to financial statements.

GIRL BE HEARD INSTITUTE
Notes to Financial Statements
December 31, 2018 and 2017

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, foundations 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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions may be expended for any purpose in performing the primary objectives of the organization. The net assets may be used at the discretion of management and the board of directors.

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions are met by the Institute's actions or by the passage of time.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

GIRL BE HEARD INSTITUTE
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

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.

Revenue and Support

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Contributions 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 contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (e.g. when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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 through 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, 2018 and 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Functional 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. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries, payroll taxes, and benefits	Time and effort
Consultants and contractors	Full time equivalent
Advertising and promotion	Purpose of expenditure
Insurance	Time and effort
Office supplies and expenses	Time and effort
Postage and delivery	Time and effort
Printing	Time and effort
Professional fees	Purpose of expenditure
Rent and utilities:	
Office rent and utilities	Time and effort
Performance and rehearsal space	Purpose of expenditure
Travel, training, and meetings	Purpose of expenditure
Scholarships - awarded	Purpose of expenditure
Depreciation	Time and effort

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, 2018, the Institute's Form 990s for the years 2015 through 2018 remain eligible for examination by the IRS.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

GIRL BE HEARD INSTITUTE
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Institute has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Subsequent Events

The Institute has evaluated subsequent events and transactions through May 8, 2019, 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, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Computer equipment	\$ 23,203	\$ 23,203
Less: accumulated depreciation	<u>16,754</u>	<u>12,070</u>
Property assets, net	<u>\$ 6,449</u>	<u>\$ 11,133</u>

Depreciation and amortization expense amounted to \$4,684 and \$5,354 for the years ended December 31, 2018 and 2017, respectively.

GIRL BE HEARD INSTITUTE
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 5 - Net Assets

Net assets with donor restrictions at December 31, 2018 and 2017 are being held in cash and are available for the following purposes:

	<u>2018</u>	<u>2017</u>
Specific purpose:		
Touring, Education and Advocacy Program:		
Development and tour of devised theater piece	\$ 10,000	\$ 20,000
Professional development of Education Team	-	7,500
Sunday workshops	-	5,000
Facilities renovations	13,000	-
Time restrictions	<u>392,000</u>	<u>-</u>
Total	<u>\$ 415,000</u>	<u>\$ 32,500</u>

Note 6 - Government Grants

During the years ended December 31, 2018 and 2017, the Institute had various grants from governmental agencies in effect. Details of these government grants, summarized by grantor, are as follows:

2018:

<u>Grantor</u>	<u>Amount Awarded During 2018</u>	<u>Amount Recognized During 2018</u>
NYC DCA	\$ 385,852	\$ 154,341
NYS Department of Education	10,000	10,000
National Endowment for the Arts	10,000	10,000
Others	48,000	16,000

2017:

<u>Grantor</u>	<u>Amount Awarded During 2017</u>	<u>Amount Recognized During 2017</u>
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

GIRL BE HEARD INSTITUTE
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

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 service is received. In-kind contributions consisted mainly of free facilities, printing, and hair and makeup for performances and theater instruction at rehearsals, with a total fair market value of \$91,516 during 2018 and \$107,099 during 2017.

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.

Note 9 - Lease Commitments

The Institute's lease agreement for rent on the building it utilizes expires on December 31, 2020. The future minimum annual rentals are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2019	\$ 27,062
2020	<u>27,780</u>
Total	<u>\$ 54,842</u>

Rent and utilities expense was \$117,207 and \$47,316 for the years ended December 31, 2018 and 2017, respectively.

GIRL BE HEARD INSTITUTE
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 10 - Availability and Liquidity

Financial assets consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 882,206	\$ 699,719
Contributions and other receivables	<u>620,070</u>	<u>343,588</u>
Total financial assets	1,502,276	1,043,307
Less amounts not available to be used within one year:		
Net assets with donor restrictions	415,000	32,500
Less net assets with purpose restrictions to be met in less than a year	<u>(159,000)</u>	<u>(32,500)</u>
	<u>256,000</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$1,246,276</u>	<u>\$1,043,307</u>

The Institute's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$370,000). As part of its liquidity plan, excess cash is maintained in an interest-bearing bank account at an FDIC insured institution.

Note 11 - Trinidad and Tobago Affiliate

During 2018, steps were taken to create an affiliate organization, Girl Be Heard Trinidad & Tobago ("GBHTT"). A separate Board of Directors was formed and NGO status was applied for. After one year of operations, GBHTT can apply for charitable status in Trinidad & Tobago.

Note 12 - Settlement

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

GIRL BE HEARD INSTITUTE
Notes to Financial Statements (Continued)
December 31, 2018 and 2017

Note 13 - 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.