

**Together For Girls, Inc.**

**Financial Statements  
and Independent Auditors' Report**

**December 31, 2018 and 2017**

**Together For Girls, Inc.**  
**December 31, 2018 and 2017**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Together For Girls, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Together For Girls, Inc., a nonprofit corporation, which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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.

### **Auditors' 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 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 auditors' 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 auditors consider 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 Together For Girls, Inc. as of December 31, 2018 and 2017, and the results of its activities and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

*Atchley & Associates, LLP*

Austin, Texas

April 3, 2019

**TOGETHER FOR GIRLS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 826,923	\$ 939,623
Grants receivable	518,320	142,408
Prepaid expense	7,365	4,975
Total current assets	1,352,608	1,087,006
Furniture and equipment, net of accumulated depreciation	1,401	1,895
Total assets	\$ 1,354,009	\$ 1,088,901
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 7,280	\$ 22,694
Total current liabilities	7,280	22,694
<b>NET ASSETS</b>		
Without donor restrictions	528,210	783,272
With donor restrictions	818,519	282,935
Total net assets	1,346,729	1,066,207
Total liabilities and net assets	\$ 1,354,009	\$ 1,088,901

The accompanying notes are an integral part of the financial statements.

**TOGETHER FOR GIRLS, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CHANGES IN NET ASSETS			
Public support and revenue:			
Grants	\$ 831,215	\$ 615,520	\$ 1,446,735
Contributions	-	-	-
Donated securities	100,397	-	100,397
Honoraria income	-	-	-
Event income	16,821	-	16,821
In-kind contributions	343,200	-	343,200
Interest income	2,934	-	2,934
Fee for service	12,000	-	12,000
Net assets released from restrictions	79,936	(79,936)	-
Total public support and revenue	1,386,503	535,584	1,922,087
Expenses:			
Program	1,351,367	-	1,351,367
Development	152,455	-	152,455
General & administrative	137,743	-	137,743
Total expenses	1,641,565	-	1,641,565
Change in net assets	(255,062)	535,584	280,522
Net assets, beginning of year	783,272	282,935	1,066,207
Net assets, end of year	\$ 528,210	\$ 818,519	\$ 1,346,729

The accompanying notes are an integral part of the financial statements.

**TOGETHER FOR GIRLS, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CHANGES IN NET ASSETS			
Public support and revenue:			
Grants	\$ 900,066	\$ 104,522	\$ 1,004,588
Contributions	110,375	-	110,375
Donated securities	101,502	-	101,502
Honoraria income	15,000	-	15,000
Event income	11,150	-	11,150
In-kind contributions	40,000	-	40,000
Interest income	219	-	219
Net assets released from restrictions	<u>351,893</u>	<u>(351,893)</u>	<u>-</u>
Total public support and revenue	1,530,205	(247,371)	1,282,834
Expenses:			
Program	1,076,862	-	1,076,862
Development	117,921	-	117,921
General & administrative	<u>133,971</u>	<u>-</u>	<u>133,971</u>
Total expenses	<u>1,328,754</u>	<u>-</u>	<u>1,328,754</u>
Change in net assets	<u>201,451</u>	<u>(247,371)</u>	<u>(45,920)</u>
Net assets, beginning of year	<u>581,821</u>	<u>530,306</u>	<u>1,112,127</u>
Net assets, end of year	<u>\$ 783,272</u>	<u>\$ 282,935</u>	<u>\$ 1,066,207</u>

The accompanying notes are an integral part of the financial statements.

**TOGETHER FOR GIRLS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Program</u>	<u>Development</u>	<u>General and Administrative</u>	<u>Total</u>
Payroll	\$ 545,076	\$ 97,974	\$ 71,985	\$ 715,035
In-Kind Services	272,880	30,320	-	303,200
Professional Fees	230,479	5,960	36,650	273,089
Travel	145,440	-	2,360	147,800
Other Direct Expenses	64,324	607	15,157	80,088
Payroll Taxes	36,664	6,875	4,247	47,786
Donated Facilities Expense	30,492	5,795	3,713	40,000
Employee Benefits	26,012	4,924	3,137	34,073
Subgrant	-	-	-	-
Depreciation	-	-	494	494
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 1,351,367</u>	<u>\$ 152,455</u>	<u>\$ 137,743</u>	<u>\$ 1,641,565</u>

The accompanying notes are an integral part of the financial statements.

**TOGETHER FOR GIRLS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Program</u>	<u>Development</u>	<u>General and Administrative</u>	<u>Total</u>
Payroll	\$ 481,051	\$ 97,194	\$ 79,351	\$ 657,596
In- Kind Services	-	-	-	-
Professional Fees	342,450	3,375	34,097	379,922
Travel	87,189	-	-	87,189
Other Direct Expenses	65,414	531	6,295	72,240
Payroll Taxes	31,421	6,348	5,183	42,952
Donated Facilities Expense	29,261	5,912	4,827	40,000
Employee Benefits	22,576	4,561	3,724	30,861
Subgrant	17,500	-	-	17,500
Depreciation	-	-	494	494
	<u>\$ 1,076,862</u>	<u>\$ 117,921</u>	<u>\$ 133,971</u>	<u>\$ 1,328,754</u>
Total expenses	<u>\$ 1,076,862</u>	<u>\$ 117,921</u>	<u>\$ 133,971</u>	<u>\$ 1,328,754</u>

The accompanying notes are an integral part of the financial statements.

**TOGETHER FOR GIRLS, INC.**  
**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	\$ 280,522	\$ (45,920)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation expense	494	494
(Increase) decrease in grants receivable	(375,912)	68,592
(Increase) decrease in prepaid expense	(2,390)	(4,975)
Increase (decrease) in accounts payable	(15,414)	(10,073)
	<u>(112,700)</u>	<u>8,118</u>
Net cash (used in) provided by operating activities		
	(112,700)	8,118
Net (decrease) increase in cash		
	939,623	931,505
Cash, beginning of year		
	<u>\$ 826,923</u>	<u>\$ 939,623</u>
Cash, end of year		

The accompanying notes are an integral part of the financial statements.

**TOGETHER FOR GIRLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Organization

Together for Girls, Inc. (the Organization) was established principally to enable private sector funding for the Together for Girls partnership and secretariat from U.S.-based individuals and organizations and reduce costs associated with the use of fiduciary and fiscal agents. The Organization was incorporated in the State of Delaware in April 2011 and awarded 501(c)(3) status by the U.S. IRS. The Organization is governed by a board of directors, which has fiduciary responsibility for the Organization and supports its fundraising and communications efforts. The Organization manages all secretariat operating costs, including staffing.

The Together for Girls partnership convenes national governments, UN entities and private sector organizations to work at the intersection of violence against children and violence against women, with special attention to sexual violence against girls. Founded in 2009, the partnership is now active in over 20 countries, and brings together influential actors across multiple sectors in a comprehensive and holistic approach to respond to and prevent violence. This is essential to promoting and achieving individual rights, well-being, gender equality and sustainable development.

The partners are global leaders in development, violence prevention and response. Each partner contributes unique expertise and skills to strengthen our collective impact at national, regional and global levels. Working closely with national governments, the partnership model focuses on contributing across three pillars of action:

- National surveys to document the magnitude, nature and impact of physical, emotional, and sexual violence against children;
- Evidence-based, coordinated policy and program actions in countries to address issues identified through the surveys; and
- Global advocacy and public awareness efforts.

The partnership is governed by the Leadership Council, made up of high-level representatives of its partner organizations. The council serves as an advisory group to provide strategic direction and vision for the partnership. The secretariat staff uses input from the Leadership Council to provide efficient coordination and backbone support, including technical assistance and advocacy work, needed to advance the goals of the partnership.

The secretariat also plays an important role in fundraising, using a flexible model that maximizes broad resource mobilization to the overall agenda of violence against children, while also supporting the critical functions and work of its partners. The overall partnership estimates it is leveraging over \$20 million each year to support its goals and in-country programmatic work.

**TOGETHER FOR GIRLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES- (Continued)**

The secretariat is hosted by UNAIDS in its Washington, D.C. office as part of their in-kind contribution to the partnership.

Basis of Accounting

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statements of Together for Girls, Inc. have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Together for Girls, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization received \$615,520 and \$104,522 in restricted support in the years ending December 31, 2018 and 2017, respectively.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets.

Accounting Estimates

The preparation of financial statements in conformity 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 as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Grants Receivable

The Organization records grant receivables on the accrual basis and consist of receivables on government contracts and grants awarded but not yet received. The Organization has not recorded an allowance for uncollectible accounts on grants receivable based on historical experience and the credit worthiness of the government and donor entities. All grants receivable at December 31, 2018 and December 31, 2017, are collectible in one year or less.

**TOGETHER FOR GIRLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES- (Continued)**

Furniture and Equipment

Expenditures for furniture and equipment over \$500 are recorded at cost. Donated assets are recorded at their estimated fair market values at the date of donation. Maintenance and repairs, which neither materially add to the value of the assets nor appreciably prolong the lives of the assets, are charged to expense as incurred. Depreciation expense is calculated using the straight-line method and estimated useful lives of 3 years.

Recognition of Donor Contributions

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions without donor restrictions are recorded as an increase in unrestricted net assets available in the period in which the notice of the unconditional promise to give is received.

Recognition of Donor Restrictions

Contributions or grants, which contain a donor imposed restriction or a stipulation that the contribution cannot be used until a future period, are recorded as restricted contributions. Contributions, which are restricted with respect to the expenditure of the funds, are recorded as increases in net assets with donor restrictions available in the period in which the notice of grant award is received. Net assets with donor restrictions are reclassified to net assets without donor restrictions in the period in which the use restriction has been met or the time restriction lapses. The Organization had net assets with donor restrictions of \$818,519 and \$282,935 as of December 31, 2018 and 2017, respectively, which are restricted for program expenses.

Revenue Recognition

In accordance with FASB ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*, contributions and grants received that are conditioned upon the Organization incurring certain qualifying costs are considered to be conditional promises to give and, therefore, are recognized as revenue as those costs are incurred. In 2017, the Organization received a grant for \$433,200 for the period of performance of October 1, 2017 to March 31, 2018, that was conditioned upon incurring certain qualifying costs. The contract was extended to March 31, 2019.

In-Kind Contributions

Donated property and services are recorded at fair market value on the date of the donation as in-kind contributions if all qualifications for reporting have been met. As of December 31, 2018 and 2017, the Organization had \$343,200 and \$40,000, respectively, of in-kind contributions from the headquarters office in Washington, D.C. As of December 31, 2018 and 2017, \$40,000 related to donated facilities. As of December 31, 2018, the remaining \$303,200 related to in-kind services, including marketing, branding, and design services.

**TOGETHER FOR GIRLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES- (Continued)**

Income Taxes

The Organization has adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. That standard prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return.

The Organization operates as a non-profit entity as defined within the Internal Revenue Service (IRS) Code Section 501(c)(3). The tax returns for the years ended December 31, 2015, and after are open to examination by federal, state, and local authorities.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among animal services 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>
Payroll	Time and effort
In-Kind Services	Time and effort
Professional Fees	Time and effort
Travel	Time and effort
Other Direct Expenses	Time and effort
Payroll Taxes	Time and effort
Donated Facilities Expense	Time and effort
Employee Benefits	Time and effort

New Accounting Pronouncements

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

Subsequent Events

Management of the Organization has evaluated subsequent events for disclosure through the date of the independent auditors' report, the date the financial statements were available to be issued.

**TOGETHER FOR GIRLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE B - CONCENTRATIONS**

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to credit risk principally consist of cash held in financial institutions. The Organization deposits its cash with high credit quality financial institutions. At December 31, 2018, there was \$430,512 in cash balances which were not Federal Deposit Insurance Corporation (FDIC) insured or bank guaranteed.

**NOTE C - AVAILABILITY AND LIQUIDITY**

The following represents Together for Girls, Inc.'s financial assets at December 31, 2018 and 2017:

Financial assets at year end:	2018	2017
Cash and cash equivalents	\$ 826,923	\$ 939,623
Grants receivable	518,320	142,408
Total financial assets	1,345,243	1,082,031
Less amounts not available to be used within one year:	(50,000)	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,295,243</u>	<u>\$ 1,082,031</u>

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended December 31, 2018 and 2017, restricted contributions of \$768,519 and \$282,935, respectively, were included in financial assets available to meet cash needs for general expenditures within one year. The Organization manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has an investment policy to maintain a nine-month cash reserve and to invest the bulk of funds in money market, bonds, and/or certificates of deposit – diversifying institutions and maturity dates to ensure meeting cash flow needs and maximizing Federal Deposit Insurance Corporation coverage. For the purpose of managing liquidity and investments, the funds are titled into two segregated accounts: General Operating Fund and a Reserve Fund. The purpose of the General Operating Fund is to provide sufficient cash to meet the immediate short-term financial obligations of the Organization. Excess operating cash may be invested in Federally insured certificates of deposit not to exceed \$250,000 per institution. The maturities on certificates of deposit for the General Operating Fund shall be limited to 3-6 months. Excess cash may also be housed in a money market fund at the Organization's primary bank. The Organization targets a year-end balance of reserves of unrestricted, undesignated net assets of at least nine months of expected expenditures. To achieve these targets, the entity forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually.

**TOGETHER FOR GIRLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE D - EMPLOYEE BENEFIT PLAN**

The Organization has adopted a SIMPLE IRA plan (the Plan) held at American Funds covering all employees upon the date of hire who are reasonably expected to earn at least \$5,000 in the current calendar year. The Organization matches 3% of employee contributions. As of December 31, 2018 and 2017, the Organization had matched \$21,066 and \$19,251, respectively, towards the Plan.

The Organization offers Life Insurance and Accidental Death and Disbursement through Reliance Standard SmartChoice to employees thirty days after full-time employment at 100% premium paid by the Organization. The Organization also offers Short-Term Disability Insurance, Long-Term Disability Insurance, Vision Insurance and Dental Insurance through Reliance Standard SmartChoice to employees thirty days after full-time employment. Employees receive a monthly stipend of \$300 to purchase their own health insurance. As of December 31, 2018 and 2017, the Organization contributed \$12,735 and \$11,510, respectively, towards employee insurance.

**NOTE E - RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2018 and 2017, the President of the Organization donated \$100,474 and \$101,089, respectively, in securities to assist the Organization. The in-kind contribution is recorded as unrestricted support and as program expenses on the statement of activities and changes in net assets.

The previous Executive Director of the Organization, who retired in August 2016, continued to serve as a paid member and consultant on an as-needed basis, providing technical expertise and consultation as well as coaching to the current Executive Director and CEO. She also became a board member in 2017. During the years ended December 31, 2018 and 2017, \$5,210 and \$18,168, respectively, was paid to the previous Executive Director for consultant work.