

Together For Girls, Inc.

**Financial Statements
and Independent Auditors' Report**

December 31, 2019 and 2018

Together For Girls, Inc.
December 31, 2019 and 2018

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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, 2019 and 2018, 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, 2019 and 2018, 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

June 23, 2020

TOGETHER FOR GIRLS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Current assets:		
Cash	\$ 1,434,467	\$ 826,923
Grants receivable	402,723	518,320
Prepaid expense	7,487	7,365
Total current assets	1,844,677	1,352,608
Furniture and equipment, net of accumulated depreciation	907	1,401
Total assets	\$ 1,845,584	\$ 1,354,009
LIABILITIES AND NET ASSETS		
Current liabilities:		
Deferred revenue	\$ 754,433	\$ -
Accounts payable	19,180	7,280
Total current liabilities	773,613	7,280
NET ASSETS		
Without donor restrictions	589,077	528,210
With donor restrictions	482,894	818,519
Total net assets	1,071,971	1,346,729
Total liabilities and net assets	\$ 1,845,584	\$ 1,354,009

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, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CHANGES IN NET ASSETS			
Public support and revenue:			
Grants	\$ 678,068	\$ 442,782	\$ 1,120,850
Contributions	10,500	-	10,500
Donated securities	78,077	-	78,077
Event income	-	-	-
In-kind contributions	296,310	-	296,310
Interest income	4,942	-	4,942
Fee for service	-	-	-
Net assets released from restrictions	<u>778,407</u>	<u>(778,407)</u>	<u>-</u>
Total public support and revenue	1,846,304	(335,625)	1,510,679
Expenses:			
Program	1,519,005	-	1,519,005
Development	134,189	-	134,189
General & administrative	<u>132,243</u>	<u>-</u>	<u>132,243</u>
Total expenses	<u>1,785,437</u>	<u>-</u>	<u>1,785,437</u>
Change in net assets	<u>60,867</u>	<u>(335,625)</u>	<u>(274,758)</u>
Net assets, beginning of year	<u>528,210</u>	<u>818,519</u>	<u>1,346,729</u>
Net assets, end of year	<u>\$ 589,077</u>	<u>\$ 482,894</u>	<u>\$ 1,071,971</u>

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
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	<u>\$ 528,210</u>	<u>\$ 818,519</u>	<u>\$ 1,346,729</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, 2019

	<u>Program</u>	<u>Development</u>	<u>General and Administrative</u>	<u>Total</u>
Payroll	\$ 590,287	\$ 108,709	\$ 65,249	\$ 764,245
In-Kind Services	256,310	-	-	256,310
Professional Fees	203,647	3,736	43,685	251,068
Travel	113,880	-	181	114,061
Other Direct Expenses	84,538	754	10,098	95,390
Payroll Taxes	39,907	7,349	4,411	51,667
Donated Facilities Expense	30,895	5,690	3,415	40,000
Employee Benefits	43,541	7,951	4,710	56,202
Subgrant	156,000	-	-	156,000
Depreciation	-	-	494	494
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 1,519,005</u>	<u>\$ 134,189</u>	<u>\$ 132,243</u>	<u>\$ 1,785,437</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.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ (274,758)	\$ 280,522
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation expense	494	494
(Increase) decrease in grants receivable	115,597	(375,912)
(Increase) decrease in prepaid expense	(122)	(2,390)
Increase (decrease) in deferred revenue	754,433	-
Increase (decrease) in accounts payable	11,900	(15,414)
	<u>607,544</u>	<u>(112,700)</u>
Net cash provided (used in) by operating activities		
	607,544	(112,700)
Net increase (decrease) in cash		
	826,923	939,623
Cash, beginning of year		
	<u>\$ 1,434,467</u>	<u>\$ 826,923</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, 2019 AND 2018

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, 2019 AND 2018

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 (US GAAP).

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with 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 the Organization 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 \$442,782 and \$615,520 in restricted support in the years ending December 31, 2019 and 2018, 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 US GAAP 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, 2019 and December 31, 2018, are collectible in one year or less.

TOGETHER FOR GIRLS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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 net assets without donor restrictions 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 \$482,894 and \$818,519 as of December 31, 2019 and 2018, 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 September 29, 2020 for a total grant of \$849,200.

Deferred Revenue

The Organization recognizes restricted contributions received in advance for future program activities as deferred revenue. Once each activity is performed or completed, the Organization recognizes the revenue as income accordingly.

TOGETHER FOR GIRLS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2019 and 2018, the Organization had \$296,310 and \$343,200, respectively, of in-kind contributions to the headquarters office in Washington, D.C. As of December 31, 2019 and 2018, \$40,000 was related to donated facilities. As of December 31, 2019, the remaining \$256,310 was related to in-kind services, including marketing, branding, and design services.

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, 2016, 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 and changes in net assets. Certain expenses are allocated between program and supporting services based on estimates made by management. The expenses that are allocated are allocated based on the time and effort expended.

New Accounting Pronouncement

The Organization adopted FASB Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The update assists entities in evaluating whether transactions should be accounted for as contributions or as exchange transactions, and determining whether a contribution is conditional. The Organization adopted FASB ASU 2018-08 as of January 1, 2019, using the modified prospective basis. The Organization did not make any significant changes to the financial statements as a result of the adoption.

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. See Note F.

TOGETHER FOR GIRLS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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, 2019, there was \$702,656 in cash balances which were not Federal Deposit Insurance Corporation (FDIC) insured or bank guaranteed. On December 30, 2019, the Organization received a direct deposit of \$764,794.96. These funds were transferred to an account providing full FDIC coverage in January 2020.

NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2019 and 2018:

Financial assets at year end:	2019	2018
Cash	\$ 1,434,467	\$ 826,923
Grants receivable	402,723	518,320
Total financial assets	1,837,190	1,345,243
Less amounts not available to be used within one year:	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,837,190	\$ 1,345,243

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. 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 FDIC 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, 2019 AND 2018

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. For the years ended December 31, 2019 and 2018, the Organization matched \$22,927 and \$21,066, respectively, towards the Plan.

The Organization offers Life Insurance and Accidental Death and Dismemberment 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. As of January 1, 2019, employees are offered a Gold Level health insurance plan through DC Healthlink. The premium for employees is paid at 100% by the Organization. Employees may pay the additional costs to add partners and dependents to their health plan. As of December 31, 2019 and 2018, the Organization contributed \$29,664 and \$12,735, respectively, towards employee insurance.

NOTE E - RELATED PARTY TRANSACTIONS

During the years ended December 31, 2019 and 2018, the President of the Organization donated \$75,114 and \$100,474, respectively, in securities to assist the Organization. The contribution is recorded as support without donor restriction 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, 2019 and 2018, \$2,757 and \$5,210, respectively, was paid to the previous Executive Director for consultant work.

During 2019, a board member's company was paid consultant fees for work performed beyond the role of director. Her firm was paid a total of \$24,000 for public relations and communications support.

NOTE F - SUBSEQUENT EVENTS

COVID-19 has not immediately affected the Organization's financial stability in 2020, and the Organization does not expect to encounter financial challenges in 2021 either. While the Organization had been planning for growth to more comprehensively address its mission in the coming years, a depressed global economy will likely make fulfilling this goal more challenging. Nevertheless, fundraising efforts will be redoubled. As a result of millions of children out of school and sheltering at home throughout the world at the time of this writing, violence against children is on the rise and the work to address this issue has never been more urgent and critical.