

**GIRLS  
LEADERSHIP**

# **Girls Leadership Institute, Inc.**

**Financial Statements**

**For the year ended  
August 31, 2021**

With Independent Auditors' Report Thereon

# Girls Leadership Institute, Inc.

(A California Not-for-Profit Corporation)

**Our Mission:** Girls Leadership teaches girls to exercise the power of their voice.

**Vision:** A society where girls embrace the power of their voice to shape the world.

**Values:** We structure our work around four central values: Play, Authentic Communication, Equity, and Courageous Growth.

## What makes us unique?

[1] Girls Leadership works not only with girls, but also with their primary influencers –parents, teachers, and caregivers – to create sustainable impact. Studies show parents and teachers to be the most powerful teachers for girls all the way through high school.

[2] We put social and emotional learning (SEL) at the foundation of all our leadership development.

[3] We design our programs for the most marginalized girls in order to best serve all girls.

**Strategy:** We teach programs across the US, produce free educational content and conduct original research, such as our Ready to Lead report, which uncovered the supports and barriers for Black and Latinx girls. We center gender and racial equity in our work to address the internal and external barriers to leadership development. Our programs teach girls, educators, and parents the core practices of emotional intelligence, healthy relationships, and assertive self-expression through culturally responsive and healing centered teaching practices. The courses are age-appropriate and progressive, following girls' developmental needs from grade school through high school.

**Locations:** Our headquarters office is located in Oakland, California and we run in-person and online programs across the country. In response to COVID, many of our programs moved online and we were able to reach more girls and educators than ever before. With our growing library of online resources, we hope to expand our work across geographic, class, and racial boundaries to impact as many girls as possible.

## Board of Directors

Name	Position
Karina Cabrerra	Director
Resa Caivano	Director
Darolyn Davis	Director
Coni Frezzo	Board Co-Chair
Pat Gillette	Director
Aditi Goel	Director
Renae Griffin	Director
Gina Hubbell	Director
Julie Keshmiry	California Board Chair
Maria Kiskis	Director
Regina Manzana-Sawhney	Director
Emily Pillars	Finance Committee Chair
Amie Thuener	Board Co-Chair
Wendi Williams	Director
Simone Marean	Co-CEO
Takai Tyler	Co-CEO

Information

**Girls Leadership Institute, Inc.**

(A California Not-for-Profit Corporation)

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**Girls Leadership Institute, Inc.**

1675 7<sup>th</sup> Street

#24423

Oakland, California 94615

Web Site Address: [www.girlsleadership.org](http://www.girlsleadership.org)

**INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
Girls Leadership Institute, Inc.

We have audited the accompanying financial statements of Girls Leadership Institute, Inc. (a New York nonprofit corporation based in California) which comprise the statement of financial position as of August 31, 2021 and the related statements of activities and changes in net assets, 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.

***Auditors' 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 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 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 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 Girls Leadership Institute, Inc. as of August 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited Girls Leadership's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2020, is consistent, in all material respects, with the audited financial information from which it has been derived.

May 27, 2022  
Danville, California

*Regalia & Associates*

# Girls Leadership Institute, Inc.

## Statements of Financial Position August 31, 2021 and 2020

### ASSETS

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 927,355	\$ 493,872
Accounts, grants and pledges receivable, net of allowance	91,666	257,594
Inventories	6,375	6,375
Prepaid expenses	7,691	12,115
Property and equipment, net	-	12,110
	<hr/>	<hr/>
Total current assets	1,033,087	782,066
	<hr/>	<hr/>
	\$ 1,033,087	\$ 782,066

### LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued liabilities	\$ 66,568	19,296
Accrued payroll liabilities	48,711	58,874
Operating lease liability - current	-	4,851
Deferred revenue	34,948	89,570
	<hr/>	<hr/>
Total current liabilities	150,227	172,591
	<hr/>	<hr/>
Net assets:		
<i>Without</i> donor restrictions	753,683	388,174
<i>With</i> donor restrictions	129,177	221,301
	<hr/>	<hr/>
Total net assets	882,860	609,475
	<hr/>	<hr/>
	\$ 1,033,087	\$ 782,066

## Girls Leadership Institute, Inc.

### Statement of Activities and Changes in Net Assets

For the Year Ended August 31, 2021

*(with Summarized Financial Information for the Year Ended August 31, 2020)*

	Net Assets		Total 2021	Total 2020
	Without Donor Restrictions	With Donor Restrictions		
<i>Changes in net assets:</i>				
Revenue and support:				
Program fees	\$ 335,432	\$ -	\$ 335,432	\$ 808,892
Less: scholarships	(79,328)	-	(79,328)	(120,149)
Program fees, net	256,104	-	256,104	688,743
Investment interest	703	-	703	207
Gain on sale of securities	167	-	167	292
Total revenue	256,974	-	256,974	689,242
Contributions	647,167	262,923	910,090	851,769
Foundation grants	288,043	20,000	308,043	452,843
Government contributions	363,644	-	363,644	322,049
In-kind contributions	175,000	-	175,000	9,419
Net assets released from restriction	375,047	(375,047)	-	-
Total support	1,848,901	(92,124)	1,756,777	1,636,080
Total revenue and support	2,105,875	(92,124)	2,013,751	2,325,322
Expenses:				
<i>Programs:</i>				
California	181,320	-	181,320	383,840
Colorado	-	-	-	125,406
New York	223,217	-	223,217	234,746
New Jersey	-	-	-	108,679
National and professional development	294,383	-	294,383	342,051
Family	206,928	-	206,928	155,960
Adolescent	330,672	-	330,672	219,873
Research	148,472	-	148,472	187,788
Total programs	1,384,992	-	1,384,992	1,758,343
<i>Overhead:</i>				
General and administrative	214,061	-	214,061	282,949
Fundraising	141,313	-	141,313	154,568
Total expenses	1,740,366	-	1,740,366	2,195,860
Increase (decrease) in net assets	365,509	(92,124)	273,385	129,462
Net assets at beginning of year	388,174	221,301	609,475	480,013
Net assets at end of year	\$ 753,683	\$ 129,177	\$ 882,860	\$ 609,475

**Girls Leadership Institute, Inc.**

**Statements of Cash Flows**  
For the Years Ended August 31, 2021 and 2020

	<b>2021</b>	<b>2020</b>
<i>Operating activities:</i>		
Increase (decrease) in net assets	\$ 273,385	\$ 129,462
Adjustments to reconcile to cash provided by (used for) operating activities:		
Depreciation	12,110	27,968
Changes in:		
Accounts, grants and pledges receivable	165,928	(24,007)
Inventories	-	(3,228)
Prepaid expenses	4,424	931
Deposits and other assets	-	3,234
Operating lease - right of use asset	-	73,873
Accounts payable and accrued liabilities	47,272	2,470
Accrued payroll liabilities	(10,163)	1,893
Deferred revenue	(54,622)	24,413
Cash provided by operating activities	<b>438,334</b>	<b>237,009</b>
 <i>Financing activities:</i>		
Principal payments applied to lease liability	(4,851)	(69,022)
Cash used for financing activities	<b>(4,851)</b>	<b>(69,022)</b>
 Increase in cash and cash equivalents	 <b>433,483</b>	 167,987
Cash and cash equivalents at beginning of year	<b>493,872</b>	325,885
	 <b>\$ 927,355</b>	 \$ 493,872
 <i>Additional cash flow information:</i>		
State registration fees and taxes paid	\$ 495	\$ 275
Interest paid	\$ -	\$ -

## Girls Leadership Institute, Inc.

### Statement of Functional Expenses For the Year Ended August 31, 2021

*(with Summarized Financial Information for the Year Ended August 31, 2020)*

			National and Professional						General and Admin- istrative			
	California	New York	Development	Family	Adol- escent	Research	Total Programs		Fund- raising	2021 Total	2020 Total	
Salaries and wages	\$ 135,272	\$ 168,418	\$ 206,438	\$ 151,083	\$ 225,949	\$ 102,863	\$ 990,023	\$ 111,096	\$ 84,753	\$ 1,185,872	\$ 1,459,605	
Payroll taxes	10,687	13,220	16,639	12,127	18,256	7,966	78,895	9,178	7,082	95,155	114,802	
Benefits	5,059	5,985	8,872	6,509	10,097	3,502	40,024	20,119	4,456	64,599	63,745	
Total personnel	151,018	187,623	231,949	169,719	254,302	114,331	1,108,942	140,393	96,291	1,345,626	1,638,152	
Advertising and promotion	1,652	1,991	5,167	4,536	6,248	793	20,387	4,475	4,715	29,577	4,052	
Cost of merchandise sold	-	-	-	-	-	-	-	-	-	-	(3,214)	
Depreciation	334	319	927	676	1,011	7,504	10,771	713	626	12,110	27,968	
Dues, licenses, and service fees	601	641	2,100	1,903	2,413	326	7,984	4,372	10,549	22,905	44,204	
Equipment rental and maintenance	782	964	1,418	1,083	1,421	598	6,266	811	672	7,749	3,092	
Information technology	1,524	1,812	2,905	2,121	3,211	1,044	12,617	6,465	1,920	21,002	27,129	
In-kind expense	19,962	24,854	30,464	22,295	33,343	15,180	146,098	16,395	12,507	175,000	-	
Insurance	292	393	399	301	444	251	2,080	9,251	133	11,464	27,057	
Legal and accounting	-	-	-	-	-	-	-	27,558	-	27,558	26,946	
Miscellaneous	888	52	395	125	1,699	1,051	4,210	155	153	4,518	11,520	
Occupancy	770	1,527	1,623	1,232	6,234	516	11,902	968	812	13,682	70,300	
Outside consulting fees	1,266	1,681	13,257	1,362	4,180	6,050	27,796	1,046	981	29,823	200,618	
Postage	26	28	85	56	95	12	302	93	1,493	1,888	3,900	
Printing	28	29	611	52	1,065	50	1,835	61	1,545	3,441	8,909	
Special events	1,096	-	-	-	-	-	1,096	-	7,752	8,848	30,174	
Supplies and office	223	265	599	308	2,422	159	3,976	348	217	4,541	28,955	
Telecommunications	752	905	1,384	1,018	1,509	530	6,098	844	693	7,635	6,553	
Travel and meals	106	133	1,100	141	11,075	77	12,632	113	254	12,999	39,545	
Totals	\$ 181,320	\$ 223,217	\$ 294,383	\$ 206,928	\$ 330,672	\$ 148,472	\$ 1,384,992	\$ 214,061	\$ 141,313	\$ 1,740,366	\$ 2,195,860	



**Notes to Financial Statements**  
**August 31, 2021**

**1. Organization**

Girls Leadership Institute, Inc. ("Girls Leadership") is a national, educational non-profit with a mission to teach to exercise the power of their voice. Founded in 2009, Girls Leadership has reached over 75,000 people, 68% of whom qualify for free or reduced school lunch, and 69% of whom are girls of color. Girls Leadership is generating impact through transformational programs, online content, and original research. Girls Leadership is committed to ensuring that girls across differences of income, race, and culture come to know and realize their power.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation*** – The financial statements of Girls Leadership have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP").

***Measure of Operations*** – The statements of activities reflect all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Girls Leadership's ongoing operations which include a variety of programmatic activities. Nonoperating activities are limited to resources that generate return from interest-bearing deposits and other activities considered to be of a more unusual or nonrecurring nature.

***Cash and Cash Equivalents*** – Girls Leadership's cash and cash equivalents consist of cash on deposit in checking accounts. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

***Concentrations of Credit Risk*** – Financial instruments that potentially subject Girls Leadership to concentrations of credit risk consist principally of cash and cash equivalents and deposits. Girls Leadership maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Girls Leadership manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy.

To date, Girls Leadership has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and grants receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable organizations and foundations supportive of Girls Leadership's mission.

***Receivables and Credit Policies*** – Girls Leadership determined that no allowance for doubtful uncollectible accounts receivable is needed based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the policy of the organization to periodically assess receivables to determine proper carrying value.

Notes to Financial Statements  
August 31, 2021

2. Summary of Significant Accounting Policies (*continued*)

**Contributions and Accounts Receivable** – Girls Leadership records receivables that are expected to be collected within one year at net realizable value. When material, receivables expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

In subsequent years, amortization of the discounts (when applicable) will be included in contribution revenue in the statement of activities. The allowance for uncollectible receivables is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectible.

**Inventories** – Inventories are carried at lower of cost or market using the first-in first-out method and consist of various merchandise items. Girls Leadership maintains its inventory in accordance with *ASC 330.10.30 Inventory*.

**In-Kind Contributions** - In-kind contributions are reflected at the fair value of the contribution received in accordance with *ASC 958.605.30-11*. The contributions of services, equipment, and other materials are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

**Property and Equipment** – Property and equipment are valued at cost or, if donated, at fair market value on the date of donation. Depreciation is provided by use of the straight-line method over the estimated useful lives of the assets.

**Net Assets** - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Thus, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent funds which are available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has the ability to designate, from net assets without donor restrictions, net assets for any purpose, such as a reserve, but it has not opted to do so as of August 31, 2021.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent funds which are subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Notes to Financial Statements  
August 31, 2021

2. Summary of Significant Accounting Policies (*continued*)

**Functional Allocation of Expenses** - The costs of providing program and other activities have been summarized on a functional basis in the statements of activities in accordance with the requirements of *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*, which requires the entity to report expenses by their natural classification. Every natural expense must be broken out into individual functional categories on an analysis of expenses by their nature and function. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis. A majority of expenses (salaries, wages, and payroll taxes, among others) have been distributed based on time and effort using Girls Leadership's payroll allocations. Other expenses (such as professional services and other direct costs) have been allocated in accordance with the specific services received from vendors.

**Reclassifications** – Certain reclassifications have been made to the 2020 financial statements in order to conform to the presentation used in 2021.

**Revenue and Revenue Recognition** - Revenue is recognized in accordance with authoritative guidance, including *ASU 2018-08, Not-for-Profit Entities (Topic 605) and ASU No. 2014-09, Revenue from contracts with Customers (Topic 606)*. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been substantially met. A transfer of funds with a conditional promise to contribute is accounted for as a refundable advance until the conditions have been substantially met. Certain payments received include both elements of contributed income and earned income (such as special events), and management evaluates such transactions to determine the proper revenue rules to apply and to bifurcate the revenue components. When applicable, revenue earned under a contractual arrangement (an "exchange transaction") is recognized when earned and therefore measured as services are provided in accordance with Topic 606.

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.

**Use of 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 certain reported amounts and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

**Fair Value Measurements** – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions.

**Notes to Financial Statements**  
**August 31, 2021**

**2. Summary of Significant Accounting Policies** (*continued*)

The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Girls Leadership groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2: Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing model of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

**Income Taxes** – Girls Leadership is organized as California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. Girls Leadership is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Girls Leadership is not required to file an Exempt Organization Business Income Tax Return (Form 990-T) because it had no unrelated business taxable income for the year ended August 31, 2021.

Girls Leadership has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that Girls Leadership continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status.

Notes to Financial Statements  
August 31, 2021

2. Summary of Significant Accounting Policies (*continued*)

**Recent and Relevant Accounting Pronouncements** – In August 2016, the FASB issued *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, 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. Girls Leadership has adjusted the presentation of these statements accordingly.

In February 2016, the FASB issued *ASU 2016-02, Leases (Topic 842) Accounting for Leases*, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by *ASU No. 2019-01*, *ASU No. 2019-10*, and *ASU No. 2019-11*.

This standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statements of financial position for all leases with a term longer than 12 months. Leases are required to be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities and changes in net assets.

In August 2014, the FASB issued *ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an organization's management to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). As of May 27, 2022 (the date of the Independent Auditors' Report), management has made this evaluation and has determined that Girls Leadership has the ability to continue as a going concern.

In June 2018, the FASB issued *ASU 2019-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this update to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Accordingly, Girls Leadership has incorporated these clarifying standards within the audited financial statements.

In May 2014, the FASB completed its Revenue Recognition project by issuing *ASU No. 2014-09, Revenue from Contracts with Customers* (Topic 606). This guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The guidance (1) Removes inconsistencies and weaknesses in existing revenue requirements, (2) Provides a more robust framework for addressing revenue issues, (3) Improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, (4) Provides more useful information to users of financial statements through improved disclosure requirements, and (5) Simplifies the preparation of financial statements by reducing the number of requirements to which an organization must refer.

Notes to Financial Statements  
August 31, 2021

**3. Cash and Cash Equivalents**

Cash and cash equivalents include all funds in banks (checking, savings, and money market) at the time of purchase that have a maturity date of 90 days or less. The components of cash and cash equivalents are as follows at August 31:

	<b>2021</b>	<b>2020</b>
Checking and clearing accounts (noninterest-bearing)	\$ 907,271	\$ 473,793
Savings and money market accounts (interest-bearing)	20,084	20,079
Total cash and cash equivalents	\$ 927,355	\$ 493,594

Funds in savings and money market accounts bear interest at 0.02% per annum at August 31, 2021.

**4. Accounts, Grants, and Pledges Receivable**

Accounts, grants, and pledges receivable consist of the following at August 31:

	<b>2021</b>	<b>2020</b>
Accounts receivable	\$ 79,697	\$ 256,786
Other receivables	11,969	808
Total accounts, grants, and pledges receivable	\$ 91,666	\$ 257,594

There were no bad debts or recoveries during the years ended August 31, 2021 and 2020.

**5. Property and Equipment**

A summary of property and equipment is as follows at August 31:

	<b>2021</b>	<b>2020</b>
Website	\$ 170,245	\$ 170,245
Less accumulated depreciation and amortization	(170,245)	(158,135)
Total property and equipment, net	\$ -	\$ 12,110

Total depreciation expense for the years ended August 31, 2021 and 2020 amounted to \$12,110 and \$27,968, respectively, and is reflected on the statement of functional expenses.

**6. Inventories**

Inventories of \$6,375 and \$6,375 at August 31, 2021 and 2020, respectively, consist of program apparel and other general merchandise sold at various geographic locations. There were no merchandise sales for the years ended August 31, 2021 and 2020. Certain adjustments to inventory resulted in a correction to cost of merchandise sold in the amount of (\$3,214) for the year ended August 31, 2020.

**Notes to Financial Statements  
August 31, 2021**

**7. Leases and Right of Use Asset**

Up until June 25, 2020, Girls Leadership leased its corporate office space under a multi-year operating agreement expiring December 31, 2020. The lease stipulated a payment of \$4,851 per month and Girls Leadership was responsible for its own property insurance, maintenance, and utilities. Effective June 25, 2020, Girls Leadership and the landlord agreed to terminate the lease for an amount totaling \$7,277 (\$4,851 as of June 30, 2020) memorialized with a Promissory Note bearing interest at the fixed rate of 6% per annum with six equal monthly installments of \$1,213. During the year ended August 31, 2021, Girls Leadership did not lease any office space.

Girls Leadership rents program venues under specific short-term usage agreements and is obligated to pay rent based upon the terms and conditions for which the facilities are utilized. In addition, Girls Leadership leases certain office equipment under an agreement requiring periodic monthly payments.

Rent expense for all facilities amounted to \$13,682 and \$70,300 for the years ended August 31, 2021 and 2020, respectively, and is reflected as a component of occupancy expense on the statement of functional expenses.

In September 2021, subsequent to the fiscal year-end, Girls Leadership signed a new lease for corporate offices. The lease term is less than one year, so Girls Leadership is not required to recognize a Right of Use Asset or Lease Liability under *ASU 2016-02, Leases (Topic 842)*.

**8. Deferred Revenue**

Deferred revenue of \$34,948 and \$89,570 at August 31, 2021 and 2020, respectively, represents funds received in advance of specific programs to be held in the following fiscal year. Such amounts have been reflected as a current liability and will be recorded as program fees and revenues on the statement of activities and changes in net assets in the subsequent fiscal period.

**9. Compensated Absences (Accrued Payroll and Related Benefits)**

Girls Leadership does not follow the recommendations of *ASC 710.25, Compensated Absences*. A liability for the estimated amounts of compensation for vacation and sick leave is not reflected in the financial statements. Accrued payroll liabilities amounted to \$48,711 and \$58,874 at August 31, 2021 and 2020, respectively.

**10. Advertising and Promotion Costs**

Advertising and promotion costs are expensed as incurred and amounted to \$29,577 and \$4,052 for the years ended August 31, 2021 and 2020, respectively.

Notes to Financial Statements  
August 31, 2021

**11. Liquidity**

Girls Leadership regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safeguarding of its available funds. Girls Leadership has various sources of liquidity at its disposal, including cash and cash equivalents and other sources (including the future collection of receivables).

In addition to financial assets available to meet general expenditures over the next 12 months, Girls Leadership operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following table shows the total financial assets held by Girls Leadership and the amounts of those financial assets readily available within one year of the balance sheet date to meet general expenditures:

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	<b>\$ 927,355</b>	\$ 493,872
Accounts, grants, and pledges receivable	<b>91,666</b>	257,594
Less: amounts not available to be used within one year:		
Net assets with donor restrictions for programs	<b>(79,177)</b>	(171,301)
Financial assets available to meet general expenditures over the next twelve months	<b>\$ 939,844</b>	\$ 580,165

Girls Leadership receives a significant amount of support by way of restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, Girls Leadership must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

As part of Girls Leadership's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Girls Leadership's goal is generally to maintain financial assets to meet 90 days of operating expenses.

**12. In-Kind Contributions**

During the years ended August 31, 2021 and 2020, Girls Leadership was the recipient of in-kind contributions (principally in the form of donated photography, legal, and consulting services). In accordance with [ASC 958.605.30](#), Girls Leadership has determined that the estimated values of these goods and services amounted to \$175,000 and \$9,419 for the years ended August 31, 2021 and 2020, respectively. These amounts have been reflected as part of contributed income on the statements of activities and changes in net assets.



**Notes to Financial Statements  
August 31, 2021**

**13. Scholarships**

Girls Leadership awarded scholarships in the form of financial aid to qualifying participants in its programs totaling \$79,328 and \$120,149 for the years ended August 31, 2021 and 2020, respectively. Such amounts have been reflected as a reduction of program fees on the statement of activities and changes in net assets.

**14. Refundable Advance from SBA under Paycheck Protection Program (PPP)**

Congress established the Small Business Administration Paycheck Protection Program (“PPP”) to provide relief to small businesses during the coronavirus pandemic as part of the \$2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136. This legislation authorized the United States Treasury Department to use the SBA’s 7(a) small business lending program to fund loans of up to \$10 million per borrower that qualifying entities can spend to cover payroll, interest, rent, and utilities.

During April 2020, Girls Leadership received \$322,049 in a forgivable loan under the SBA’s PPP program. Girls Leadership expended the funds for payroll, operating overhead, and other eligible costs during the year ended August 31, 2020 in accordance with its agreement with the SBA. Girls Leadership received formal forgiveness from the SBA in March 2021 and recognized \$322,049 as revenue which was included with government grants on the statement of activities and changes in net assets for the year ended August 31, 2020.

During January 2021, Girls Leadership received \$297,178 in a second forgivable loan under the SBA’s PPP program. As of August 31, 2021, Girls Leadership had expended the funds for payroll, operating overhead, and other eligible costs in accordance with its agreement with the SBA. In February 2022, subsequent to the fiscal year-end, Girls Leadership received formal forgiveness from the SBA. The amount of the PPP loan was removed as a liability and recognized as revenue during the year ended August 31, 2021 because Girls Leadership had expended the funds in accordance with its agreement with the SBA prior to the end of the fiscal year.

**15. Commitments and Contingencies**

In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to enter into contracts and future funding agreements, which are not reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Grant restrictions and donor conditions which obligate Girls Leadership to fulfill certain requirements as set forth in grant instruments, (b) Funding levels which vary based on factors beyond Girls Leadership’s control, such as generosity of donors and general economic conditions, (c) Employment and service agreements with key management personnel, including executive officers of the organization, and (d) Financial risks associated with funds on deposit in accounts at financial institutions. Certain of the grants and contracts (including current and prior costs) are subject to adjustment upon review and final acceptance by the granting agency. Management believes that such commitments, contingencies and risks will not have a material adverse effect on the financial statements.

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August 31, 2021

**16. Net Assets**

Net Assets Without Donor Restrictions

Net assets without donor restrictions of \$454,690 and \$388,174 at August 31, 2021 and 2020, respectively, represent the cumulative retained surpluses of Girls Leadership since its inception.

Net Assets With Donor Restrictions

Net assets with donor restrictions at August 31 are summarized as follows:

	2021	2020
Foundation restricted	\$ 60,000	\$ 50,000
Corporation restricted	58,500	140,500
Individual restricted	10,677	30,801
Total net assets with donor restrictions	\$ 129,177	\$ 221,301

During the years ended August 31, 2021 and 2020, contributions to net assets with donor restrictions amounted to \$282,923 and \$310,151, respectively. Releases of net assets with donor restrictions amounted to \$375,047 and \$233,850 for the years ended August 31, 2021 and 2020, respectively.

**17. COVID-19**

As a result of COVID-19 and its variants, the pandemic continues to (a) impact financial markets, (b) threaten revenue streams, and (c) impact private enterprises with which Global Healing conducts operations. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, continues to present challenges. Management monitors and evaluates its options. These financial statements reflect certain economic results which have impacted

**18. Subsequent Events**

In compliance with *ASC 855, Subsequent Events*, Girls Leadership has evaluated subsequent events through May 27, 2022, the date the financial statements were available to be issued. As disclosed in Note 14, Girls Leadership received formal forgiveness of the second PPP loan in February 2022. In the opinion of management, there are no other subsequent events which are required to be disclosed.