
GIRLS LEADERSHIP INSTITUTE, INC.

FINANCIAL STATEMENTS

August 31, 2014

(With Comparative Totals as of August 31, 2013)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

Girls Leadership Institute, Inc.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Girls Leadership Institute, Inc.
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of Girls Leadership Institute, Inc., which comprise the statement of financial position as of August 31, 2014; the related statements of activities, 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.

Auditor's 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 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.

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, 2014, 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 the Girls Leadership Institute, Inc.'s August 31, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 30, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants
Oakland, California
February 27, 2015

Girls Leadership Institute, Inc.
Statement of Financial Position
August 31, 2014
(With Comparative Totals as of August 31, 2013)

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	\$ 318,399	\$ 225,952
Accounts receivable	113,299	63,125
Pledges receivable	7,620	20,000
Grants receivable (Note 3)	300,000	-
Prepaid expenses	17,952	11,236
Inventory	4,378	6,447
Total Current Assets	761,648	326,760
Property and equipment, net (Note 4)	649	1,540
Deposits	2,200	2,200
Total Assets	\$ 764,497	\$ 330,500
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 127,148	\$ 148,445
Vacation accrual	-	17,895
Deferred revenue	72,083	99,242
Total Liabilities	199,231	265,582
Contingencies (Note 5)		
Net Assets		
Unrestricted	159,911	37,451
Temporarily restricted (Note 6)	405,355	27,467
Total Net Assets	565,266	64,918
Total Liabilities and Net Assets	\$ 764,497	\$ 330,500

See Notes to the Financial Statements

Girls Leadership Institute, Inc.

**Statement of Activities
For the Year Ended August 31, 2014
(With Comparative Totals for the Year Ended August 31, 2013)**

	Unrestricted	Temporarily Restricted	Total	
			2014	2013
Support and Revenue				
Support				
Contributions	\$ 105,937	\$ 24,161	\$ 130,098	\$ 159,928
Foundation grants	187,683	488,845	676,528	205,760
In-kind contributions (Note 7)	9,409		9,409	25,528
Total Support	<u>303,029</u>	<u>513,006</u>	<u>816,035</u>	<u>391,216</u>
Revenue				
Program fees	1,434,268		1,434,268	1,181,481
Less: Scholarships (Note 8)	(116,789)		(116,789)	(99,319)
Program fees, net	<u>1,317,479</u>	<u>-</u>	<u>1,317,479</u>	<u>1,082,162</u>
Merchandise sales, net	5,631		5,631	9,889
Interest	321		321	123
Miscellaneous income	4,210		4,210	-
Total Revenue	<u>1,327,641</u>	<u>-</u>	<u>1,327,641</u>	<u>1,092,174</u>
Net assets released from donor restrictions (Note 6)	135,118	(135,118)	-	-
Total Support and Revenue	<u>1,765,788</u>	<u>377,888</u>	<u>2,143,676</u>	<u>1,483,390</u>
Expenses				
Program	1,311,744		1,311,744	1,084,432
General and administrative	205,767		205,767	198,279
Fundraising	125,817		125,817	113,570
Total Expenses	<u>1,643,328</u>	<u>-</u>	<u>1,643,328</u>	<u>1,396,281</u>
Change in Net Assets	122,460	377,888	500,348	87,109
Net Assets, beginning of year	<u>37,451</u>	<u>27,467</u>	<u>64,918</u>	<u>(22,191)</u>
Net Assets, end of year	<u>\$ 159,911</u>	<u>\$ 405,355</u>	<u>\$ 565,266</u>	<u>\$ 64,918</u>

See Notes to the Financial Statements

Girls Leadership Institute, Inc.

Statement of Cash Flows
For the Year Ended August 31, 2014
(With Comparative Totals for the Year Ended August 31, 2013)

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 500,348	\$ 87,109
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:		
Depreciation	856	1,637
Loss on disposition of fixed assets	35	-
Change in assets and liabilities:		
Accounts receivable	(50,174)	(27,383)
Pledges receivable	12,380	(20,000)
Grants receivable	(300,000)	-
Prepaid expenses	(6,716)	90
Inventory	2,069	3,822
Deposits	-	(2,200)
Accounts payable	(21,297)	(26,515)
Vacation accrual	(17,895)	(8,521)
Deferred revenue	(27,159)	54,093
Net cash provided by operating activities	92,447	62,132
Net change in cash	92,447	62,132
Cash, beginning of year	225,952	163,820
Cash, end of year	\$ 318,399	\$ 225,952

See Notes to the Financial Statements

Girls Leadership Institute, Inc.

Statement of Functional Expenses
For the Year Ended August 31, 2014
(With Comparative Totals for the Year Ended August 31, 2013)

	Programs					Total Program	General and Administrative	Fundraising	Total	
	Day Camps	Parent-Daughter Programs	Education and Outreach	Residential Camp	Teacher Training				2014	2013
Salaries	\$ 53,574	\$ 332,407	\$ 47,436	\$ 183,316	\$ 11,852	\$ 628,585	\$ 121,551	\$ 86,558	\$ 836,694	\$ 714,425
Payroll taxes	4,768	22,830	2,567	28,376	794	59,335	9,759	7,402	76,496	70,602
Employee benefits	1,684	11,390	1,685	8,316	228	23,303	11,002	4,898	39,203	43,874
Total Personnel	<u>60,026</u>	<u>366,627</u>	<u>51,688</u>	<u>220,008</u>	<u>12,874</u>	<u>711,223</u>	<u>142,312</u>	<u>98,858</u>	<u>952,393</u>	<u>828,901</u>
Occupancy	4,095	20,994	1,447	229,542	645	256,723	4,500	3,508	264,731	289,987
Management and program consultant fees	7,347	11,657	104,063	5,315	6,385	134,767	15,184	1,875	151,826	39,174
Travel, meals, and entertainment	5,788	16,293	3,831	30,442	2,432	58,786	2,274	2,631	63,691	79,181
Advertising and promotion	2,372	19,089	1,288	14,350	2,968	40,067	12,752	9,641	62,460	16,785
Dues, licenses, service fees	1,863	19,405	735	19,644	1,311	42,958	6,059	2,180	51,197	47,207
Supplies	3,202	7,076	418	7,634	118	18,448	3,693	1,126	23,267	23,840
Insurance	2,244	9,085	1,862	3,945	93	17,229	1,746	172	19,147	11,077
Copy and printing	912	11,315	61	621	34	12,943	170	1,906	15,019	11,052
Accounting fees						-	11,580	-	11,580	13,120
Equipment purchases, rental, and maintenance	742	2,028	603	3,163	352	6,888	1,623	1,324	9,835	8,197
Postage	218	2,726	143	929	80	4,096	1,010	982	6,088	7,389
Information technology	260	1,576	246	1,988	83	4,153	1,157	757	6,067	6,828
Telephone	133	900	224	581	83	1,921	849	707	3,477	4,711
Miscellaneous			817	42	150	1,009	685	-	1,694	7,195
Depreciation	34	271	86	117	25	533	173	150	856	1,637
Total Expenses	<u>\$ 89,236</u>	<u>\$ 489,042</u>	<u>\$ 167,512</u>	<u>\$ 538,321</u>	<u>\$ 27,633</u>	<u>\$ 1,311,744</u>	<u>\$ 205,767</u>	<u>\$ 125,817</u>	<u>\$ 1,643,328</u>	<u>\$ 1,396,281</u>

See Notes to the Financial Statements

GIRLS LEADERSHIP INSTITUTE, INC.

**Notes to the Financial Statements
For the Year Ended August 31, 2014
(With Comparative Totals for the Year Ended August 31, 2013)**

NOTE 1: NATURE OF ACTIVITIES

Girls Leadership Institute, Inc. (the Organization) is a national educational nonprofit serving girls, their parents and caregivers, and their educational communities. The Organization's mission is to teach girls the skills to know who they are, what they believe, and how to express it, empowering them to make change in their world.

The Organization creates social change through original research, online content, and in-person programs, including parent/daughter workshops, day camps, overnight summer programs, public presentations, and after-school programs as well as curriculum and training for educators.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

Unrestricted net assets consist of resources that have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets represent contributions whose use is limited by donor-imposed stipulations that expire through the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of August 31, 2014.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution.

GIRLS LEADERSHIP INSTITUTE, INC.

**Notes to the Financial Statements
For the Year Ended August 31, 2014
(With Comparative Totals for the Year Ended August 31, 2013)**

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a stipulated purpose has been accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Accounts, Pledges, and Grants Receivable

The Organization considers all accounts, pledges, and grants receivable to be fully collectible at August 31, 2014. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Income Taxes

The Internal Revenue Service and the New York Department of State have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the New York State Taxation Code Section 402. The Organization has evaluated its current tax positions as of August 31, 2014 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. See Note 7.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

GIRLS LEADERSHIP INSTITUTE, INC.

**Notes to the Financial Statements
For the Year Ended August 31, 2014
(With Comparative Totals for the Year Ended August 31, 2013)**

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high-quality financial institutions and dividing funds between institutions when possible so that all deposits are fully insured.

Inventory

The Organization reports inventory at cost, computed on the first-in, first-out basis. Inventory consists of merchandise for sale in the camp store and on the Organization's website.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$2,500; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment or the related lease terms as follows:

Improvements	1 year
Furniture and equipment	3 years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable. Impairment is recognized if the sum of the undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

Deferred Revenue

Deferred revenue consists of prepaid tuition revenue to be recognized in the periods to which the tuition relates.

Functional Allocation of Expenses

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

Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. To achieve a fuller presentation in conformity with GAAP, these financial statements should be read in conjunction with the Organization's financial statements for the year ended August 31, 2013, from which the summarized information was derived.

GIRLS LEADERSHIP INSTITUTE, INC.

**Notes to the Financial Statements
For the Year Ended August 31, 2014
(With Comparative Totals for the Year Ended August 31, 2013)**

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of February 27, 2015, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: GRANTS RECEIVABLE

The Organization has received a multi-year grant of \$450,000 for general operations from the NoVo Foundation. The grant comprises awards of \$150,000 in each of the years ending August 31, 2014, 2015, and 2016. In accordance with generally accepted accounting principles, the total \$450,000 award has been recognized in the current fiscal year. The \$300,000 not yet received has been recorded in grants receivable and categorized as funds restricted to future use. Grants receivable for periods beyond one year have not been discounted to present value because the discount has been deemed minor.

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at August 31:

	<u>2014</u>	<u>2013</u>
Furniture and equipment	\$ 4,130	\$ 5,999
Less accumulated depreciation	<u>(3,481)</u>	<u>(4,459)</u>
Total	<u>\$ 649</u>	<u>\$ 1,540</u>

NOTE 5: CONTINGENCIES

Compliance with Donor Restrictions

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

GIRLS LEADERSHIP INSTITUTE, INC.

**Notes to the Financial Statements
For the Year Ended August 31, 2014
(With Comparative Totals for the Year Ended August 31, 2013)**

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available as follows as of August 31:

	<u>2014</u>	<u>2013</u>
Website	\$ 94,993	\$ -
Capacity building	-	22,467
Workshop collaboration	10,362	5,000
Future use	<u>300,000</u>	<u>-</u>
Total	<u>\$ 405,355</u>	<u>\$ 27,467</u>

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows for the year ended August 31:

	<u>2014</u>	<u>2013</u>
Capacity building	\$ 22,467	\$ 27,533
Scholarships	11,211	63,915
Day camps	25,000	15,000
Other regional programs	9,133	-
Research	200	-
Website	67,007	-
Program development	<u>100</u>	<u>5,025</u>
Total	<u>\$ 135,118</u>	<u>\$ 111,473</u>

NOTE 7: IN-KIND CONTRIBUTIONS

In-kind contributions include the following for the year ended August 31:

	<u>2014</u>	<u>2013</u>
Office equipment and furniture	\$ 300	\$ 1,220
Travel and meals	1,643	3,758
Legal services	5,500	13,650
Other services	<u>1,966</u>	<u>6,900</u>
Total	<u>\$ 9,409</u>	<u>\$ 25,528</u>

In addition, the Organization received \$12,710 during the year ended August 31, 2014 for administration, marketing, communications, and outreach services that did not meet the criteria for revenue recognition.

NOTE 8: SCHOLARSHIPS

The Organization awarded scholarships (financial aid) in the amount of \$116,789 and \$99,319 for the year ended August 31, 2014 and 2013, respectively, to low-income participants in its programs. The amount of revenue reduction represented by scholarships is larger in magnitude than any category of the Organization's expenses except salaries and occupancy.

GIRLS LEADERSHIP INSTITUTE, INC.

**Notes to the Financial Statements
For the Year Ended August 31, 2014
(With Comparative Totals for the Year Ended August 31, 2013)**

NOTE 9: RELATED PARTY TRANSACTIONS

During the year ended August 31, 2014, a voting member of the Board of Directors was compensated for consulting work totaling \$5,500. She recuses herself from all discussions regarding her compensation.

In addition, the Organization's curriculum is based on books authored by this board member, which the Organization purchases and re-sells to participants.

NOTE 10: JOINT COSTS OF ACTIVITIES THAT INCLUDED FUNDRAISING APPEALS

The Organization engaged in a number of marketing activities that included a fundraising appeal. As a result, the costs of these activities were allocated between fundraising, program, and management and general services as follows for the year ended August 31:

	<u>2014</u>	<u>2013</u>
Costs allocated to program activities	\$ 173,861	\$ 79,562
Costs allocated to management and general activities	52,491	31,228
Costs allocated to fundraising activities	<u>26,288</u>	<u>19,489</u>
Total	<u>\$ 252,640</u>	<u>\$ 130,279</u>