

Women's Global
Education Project
Financial Statements
For the Year Ended
December 31, 2019

WOMEN'S GLOBAL EDUCATION PROJECT

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Statement of Financial Position, December 31, 2019	3
Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2019	4
Statement of Functional Expenses For the Year Ended December 31, 2019	5
Statement of Cash Flows For the Year Ended December 31, 2019	6
Notes to Financial Statements	7-12



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Independent Auditor's Report

To the Board of Directors of
Women's Global Education Project
Oak Park, Illinois

We have audited the accompanying financial statements of Women's Global Education Project (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows 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 Women's Global Education Project as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Dicker + Associates

Buffalo Grove, Illinois
July 14, 2020

WOMEN'S GLOBAL EDUCATION PROJECT

Statement of Financial Position
December 31, 2019

Assets

Current assets	
Cash, cash equivalents, and restricted cash	\$ 429,799
Pledges receivable	122,500
Other receivable	9,336
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Total current assets	561,635
Equipment	
Equipment	4,327
Less accumulated depreciation	(3,094)
	<hr/>
Net equipment	1,233
Other assets - pledges receivable-noncurrent	10,500
	<hr/>
Total assets	<u>\$ 573,368</u>

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 353
Accrued payroll and related taxes payable	9,755
Other payable	11,176
	<hr/>
Total current liabilities	21,284
Net assets	
Without donor restrictions	387,327
With donor restrictions	164,757
	<hr/>
Total net assets	552,084
	<hr/>
Total liabilities and net assets	<u>\$ 573,368</u>

The accompanying notes are an integral part of these financial statements

WOMEN'S GLOBAL EDUCATION PROJECT

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Special events, net of expenses	\$ 182,016	\$ -	\$ 182,016
Contributions	150,461	335,964	486,425
Interest income	2,192		2,192
Net assets released from restrictions	342,053	(342,053)	
Total revenues without donor restrictions	<u>676,722</u>		<u>676,722</u>
Total revenues with donor restrictions		<u>(6,089)</u>	<u>(6,089)</u>
 Total revenues and support	 676,722	 (6,089)	 670,633
Expenses			
Program services	517,507		517,507
General and administrative	40,064		40,064
Fundraising	72,705		72,705
Total expenses	<u>630,276</u>		<u>630,276</u>
Change in net assets	46,446	(6,089)	40,357
Net assets, beginning of year	<u>340,881</u>	<u>170,846</u>	<u>511,727</u>
Net assets, end of year	<u>\$ 387,327</u>	<u>\$ 164,757</u>	<u>\$ 552,084</u>

The accompanying notes are an integral part of these financial statements

WOMEN'S GLOBAL EDUCATION PROJECT

Statement of Functional Expenses For the Year Ended December 31, 2019

	Program Services	General and Administrative	Fundraising	Total Expenses
Auto expenses	\$ -	\$ 728	\$ 293	\$ 1,021
Accounting	3,349	484	809	4,642
Annual filing		10		10
Bank charges		3,076		3,076
Conference and meetings		3,480		3,480
Consultants			20,216	20,216
Depreciation	324	47	78	449
Dues and subscriptions		756	105	861
Gifts		16		16
Health insurance	2,395	346	579	3,320
Insurance	1,485	214	359	2,058
Marketing	2,014	291	486	2,791
Meal and entertainment		311	3,923	4,234
Office	297	42	72	411
Office supplies	681	99	164	944
Other	94	13	23	130
Payroll processing fees	687	99	166	952
Payroll taxes	10,445	1,509	2,522	14,476
Postage		127	123	250
Printing		1,947	292	2,239
Rent	12,121	1,752	2,927	16,800
Retirement benefits	3,696	533	893	5,122
Salaries	142,707	20,617	34,465	197,789
Software		615	2,984	3,599
Telephone	1,398	201	338	1,937
Travel		2,566	578	3,144
Utilities	1,284	185	310	1,779
Kenya program	185,665			185,665
Senegal program	148,865			148,865
Total	\$ 517,507	\$ 40,064	\$ 72,705	\$ 630,276

The accompanying notes are an integral part of these financial statements

WOMEN'S GLOBAL EDUCATION PROJECT

Statement of Cash Flows
For the Year Ended December 31, 2019

Cash flows from operating activities	
Changes in net assets	\$ 40,357
Adjustments to reconcile changes in net assets to net cash (used in) operating activities and net decrease in cash	
Depreciation expense	449
(Increase) decrease in assets:	
Grant receivable	7,012
Pledges receivable	(83,000)
Other receivable	12,831
Increase (decrease) in liabilities:	
Accounts payable	(38)
Accrued payroll and related taxes payable	2,309
Other payable	11,176
	<u>11,176</u>
Net cash (used in) operating activities and net decrease in cash	(8,904)
Cash, cash equivalents, and restricted cash, beginning of year	<u>438,703</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 429,799</u>

The accompanying notes are an integral part of these financial statements

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 1 - Organization and nature of activities

The Women's Global Education Project, incorporated on March 17, 2003, is a not-for-profit corporation organized under the laws of the State of Illinois, and has been classified by the U.S. Internal Revenue Service as a 501(c)(3) not-for-profit organization. The Organization believes education for girls – especially for those in the remote, rural areas of the world- is one of the most effective ways to fight global poverty. The mission of the Organization is to work to address the complex barriers-economic, cultural and social-keeping girls out of school and uses a multi-tiered approach that includes scholarship support, family involvement and community awareness to help more girls go to and succeed in school.

Note 2 - Summary of 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.

Basis of presentation

The financial statements reflect all significant assets and liabilities of the Organization. The financial statements have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net assets are 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, where by the donor has stipulated the funds be in maintained in perpetuity. The Organization does not have any perpetual donor restrictions as of December 31, 2019.

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 statement of activities.

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 2 - Significant accounting policies, cont'd

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents are designed as cash on hand, demand deposits, and temporary cash investments. Cash equivalents are generally short-term highly liquid investments with maturities of three months or less.

Pledges receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts, if applicable, are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization would be included in contribution revenue. Conditional promises to give are not included as support until the conditions are met. As of December 31, 2019, the Organization's pledges receivable consisted of unconditional promises to give in the amount of \$122,500.

Donated assets

Donated noncash assets are recorded as contributions at their estimated fair value at the time of the donation. There were no donated assets for the year ended December 31, 2019.

Donated services

No revenues have been recognized in the statements of activities for donated services. The Organization pays for most services requiring specific expertise; however, many individuals volunteer their time and perform a variety of tasks that assist the Organization with special projects, committee assignments, and service on the Board.

Equipment

Purchased equipment is capitalized at cost. Equipment is depreciated using the straight-line method over the estimated useful lives of 5 years. Depreciation expense for the year ended December 31, 2019 was \$449.

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 2 - Significant accounting policies, cont'd

Functional expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the expenses by the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program activities and supporting services along with fundraising activities. Such allocations are determined by management on an equitable basis.

Income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly, has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for 2019.

The Organization adopted the accounting for uncertainty in income tax guidance, which clarifies accounting and recognition for tax positions taken on its income tax returns. In evaluating the Organization's tax provisions and accruals, the Organization believes that its estimates are appropriate and the Organization has no material unrecognized income tax positions. The Organization's tax filings are subject to audit by various taxing authorities. At December 31, 2019, the Organization is no longer subject to examination by federal and state taxing authorities for the periods ending before 2016.

Compensated absences

Employees are entitled to paid vacation, sick days and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. It is the Organization's policy to recognize compensated absence when actually paid.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 2 - Significant accounting policies, cont'd

Concentration of credit risk

The Organization maintains its cash balances in a local bank. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2019, the Organization had an uninsured cash balance of approximately \$141,000.

Date of management's review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 14, 2020, the date that the financial statements were available to be issued.

Note 3 - Support

A portion of the Organization's support is provided by major fundraising events. The Organization has successfully held a major annual fundraising event and expects the event and the support received to continue. The remaining support is provided by contributions and other donations from individuals and businesses in the community.

Note 4 - Leasing arrangements

The Organization conducts its operations from offices that are leased under a commercial lease agreement expiring on December 31, 2019. The lease was subsequently renewed with a revised expiration date of December 31, 2020. The rent expense was \$16,800 for the year ended December 31, 2019.

Future minimum lease payments under the lease are as follows:

2020	<u>\$16,800</u>
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WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 5 – Liquidity

The following table reflects certain of the Organization's financial assets as of December 31, 2019, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or are classified as restricted cash, long-term notes receivable, and other long-term investments.

Cash and cash equivalents less restricted cash of \$164,757	\$ 265,042
Pledges receivable - current	122,500
Other receivable	<u>9,336</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 396,878</u>

The Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Organization has current liabilities due in 2020 of \$21,284.

Note 6 – Subsequent events

Since March 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Organization's management has had to create a remote workforce and continually search for ways to avoid disruption to the Organization's operations – all the while keeping the employees safe. Outside of the Organization's control, some operations may be delayed due to COVID-19 restrictions (travel overseas, delivery of supplies, etc.). The Organization is focused on a strong balance sheet to withstand a downturn, and diversity to increase contributions and earnings.

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 6 – Subsequent events. cont'd

The Organization has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of governmental and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

Due to current COVID-19 economic related uncertainty, in mid-April 2020, the Organization applied for and was granted \$45,500 in funding from the Small Business Administration Payroll Protection Program (PPP). The proceeds of the loan, which has a forgivable provision, are to be used for payroll within eight weeks of the award of funding which occurred in the spring of 2020 and will ensure the continued operating and retention of employees during that time.