

Edu-GIRLS, Inc.

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2019

Edu-GIRLS, Inc.
FOR THE YEAR ENDED
DECEMBER 31, 2019

CONTENTS

| | Page No |
|---|----------------|
| Independent Auditor's Report | 1 |
| Financial Statements | |
| Statement of Financial Position | 2 |
| Statement of Activities..... | 3 |
| Statement of Changes in Net Assets..... | 4 |
| Statement of Functional Expenses..... | 5 |
| Statement of Cash Flows..... | 6 |
| Notes to Financial Statements..... | 7-10 |

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Edu-GIRLS, Inc.
Bethesda, MD 20814

We have audited the accompanying financial statements of Edu-GIRLS, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and the related statement of activities, 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 the 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 Edu-GIRLS, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Sareen & Associates, Inc.

Sareen & Associates, Inc.
Manassas, VA
June 30, 2020

Edu GIRLS, Inc.
Statement of Financial Position
December 31, 2019

| | December 31, 2019 |
|---|--------------------------|
| Assets: | |
| Current assets | |
| Cash and cash equivalents | \$ 149,873 |
| Receivable | |
| -Trade | - |
| -Contributions | 7,850 |
| Total current assets | \$ 157,723 |
| Noncurrent assets | |
| Contributions receivable | |
| Total noncurrent assets | - |
| Total assets | \$ 157,723 |
| Liabilities and net assets | |
| Current liabilities | |
| Grants payable | \$ 131,565 |
| Accounts payable | 2,737 |
| Total current liabilities | \$ 134,302 |
| Noncurrent liabilities | |
| Total noncurrent liabilities | - |
| Total liabilities | \$ 134,302 |
| Net assets: | |
| Without donor restrictions | \$ 7,421 |
| With donor restrictions | 16,000 |
| Total net assets | \$ 23,421 |
| Total liabilities and net assets | \$ 157,723 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Edu GIRLS, Inc.
Statement of Activities
Year Ended December 31, 2019

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|-------------------|
| Revenues, gains, and other support: | | | |
| General Purpose | \$ 90,675 | \$ 5,300 | \$ 95,975 |
| Gala Event | 97,381 | 31,800 | 129,181 |
| Walk Event | 7,313 | 50 | 7,363 |
| Golf Event | 10,978 | - | 10,978 |
| Wine Sales | 51 | - | 51 |
| Interest Earned | 361 | - | 361 |
| | <u>\$ 206,760</u> | <u>\$ 37,150</u> | <u>\$ 243,910</u> |
| Net assets released from restrictions: | | | |
| Total net assets released from restrictions | \$ 22,150 | \$ (22,150) | \$ - |
| Total revenues, gains, and other support | <u>\$ 228,910</u> | <u>\$ 15,000</u> | <u>\$ 243,910</u> |
| Expenses and losses: | | | |
| Awards and Grants | \$ - | \$ - | \$ - |
| Program Services | 211,741 | - | 211,741 |
| Management and General | 6,826 | - | 6,826 |
| Fundraising Expenses | 16,112 | - | 16,112 |
| | <u>\$ 234,679</u> | <u>\$ -</u> | <u>\$ 234,679</u> |
| Total expenses | <u>\$ 234,679</u> | <u>\$ -</u> | <u>\$ 234,679</u> |
| Total expenses and losses | 234,679 | - | 234,679 |
| Change in net assets | (5,769) | 15,000 | 9,231 |
| Net assets at beginning of year | 13,190 | 1,000 | 14,190 |
| Net assets at end of year | <u>\$ 7,421</u> | <u>\$ 16,000</u> | <u>\$ 23,421</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Edu GIRLS, Inc.
Statement of Changes in Net Assets
Year Ended December 31, 2019

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|-------------------|
| Revenues, gains, and other support: | | | |
| Revenues and gains without donor restrictions | \$ 206,760 | | \$ 206,760 |
| Revenues and gains with donor restrictions: | | | - |
| General Purpose | | 5,300 | 5,300 |
| Gala Event | | 31,800 | 31,800 |
| Walk Event | | 50 | 50 |
| Golf Event | | - | - |
| Wine Sales | | - | - |
| Interest Earned | | - | - |
| Net assets released from restrictions | 22,150 | (22,150) | - |
| Total revenues, gains, and other support | \$ 228,910 | \$ 15,000 | \$ 243,910 |
| Expenses and losses: | | | |
| Expenses and losses | \$ 234,679 | \$ - | \$ 234,679 |
| | - | - | - |
| Total expenses and losses | \$ 234,679 | \$ - | \$ 234,679 |
| Change in net assets | \$ (5,769) | \$ 15,000 | \$ 9,231 |
| Net assets at beginning of year | 13,190 | 1,000 | 14,190 |
| Net assets at end of year | \$ 7,421 | \$ 16,000 | \$ 23,421 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Edu GIRLS, Inc.
Statement of Functional Expenses
Year Ended December 31, 2019

| Expense Category | Program Activities | | | | Supporting Activities | | | Total Expenses |
|--------------------------|--------------------|-------------------|-------------------------|-------------------|------------------------|----------------------|---------------------|-------------------|
| | Awards and Grants | Program Services | Other Types of Expenses | Program SubTotal | Management and General | Fundraising Expenses | Supporting Subtotal | |
| Accounting Fees | \$ - | \$ - | \$ - | \$ - | \$ 4,000 | \$ - | \$ 4,000 | \$ 4,000 |
| Administrative | - | - | - | - | 244 | - | 244 | 244 |
| Credit card charges | - | - | - | - | 94 | - | 94 | 94 |
| Bank charges | - | - | - | - | 55 | - | 55 | 55 |
| Finance | - | - | - | - | 257 | - | 257 | 257 |
| Gala | - | - | - | - | - | 14,574 | 14,574 | 14,574 |
| Memberships and Dues | - | - | - | - | 200 | - | 200 | 200 |
| Other Costs | - | - | - | - | 54 | - | 54 | 54 |
| Other Events | - | - | - | - | - | 136 | 136 | 136 |
| Postage, Mailing Service | - | - | - | - | 75 | - | 75 | 75 |
| Printing and Copying | - | - | - | - | - | 54 | 54 | 54 |
| Program Expenses | - | 211,741 | - | 211,741 | - | - | - | 211,741 |
| Promo | - | - | - | - | - | 1,228 | 1,228 | 1,228 |
| Staff Development | - | - | - | - | 109 | - | 109 | 109 |
| Square Inc Fees | - | - | - | - | 361 | - | 361 | 361 |
| Stripe Fees | - | - | - | - | 1,377 | - | 1,377 | 1,377 |
| Walk | - | - | - | - | - | 120 | 120 | 120 |
| | - | - | - | - | - | - | - | - |
| Total | \$ - | \$ 211,741 | \$ - | \$ 211,741 | \$ 6,826 | \$ 16,112 | \$ 22,938 | \$ 234,679 |

Edu GIRLS, Inc.
Statement of Cash Flows
Year Ended December 31, 2019

| | |
|---|-------------------|
| Cash flows from operating activities: | |
| Change in net assets | \$ 9,231 |
| Adjustments to reconcile change in net assets to net cash used by operating | |
| Depreciation | - |
| Gain on sale of equipment | - |
| (Increase)/decrease in accounts and interest receivable | - |
| (Increase)/decrease in contributions receivable | (7,850) |
| Increase/(decrease) in accounts payable | (4,263) |
| Increase/(decrease) in grants payable | 82,287 |
| Net cash provided by operating activities | \$ 79,405 |
| Cash flows from investing activities: | |
| Purchase of equipment | |
| Proceeds on sale of equipment | |
| Net cash provided by investing activities | \$ - |
| Cash flows from financing activities: | |
| Proceeds from contributions restricted for | |
| Investment in land, buildings, and equipment | |
| Investment subject to annuity trust agreements | |
| | \$ - |
| Other financing activities: | |
| Payments on notes payable | |
| Payments on long-term debt | |
| | - |
| | - |
| Net cash used by financing activities | - |
| Net Increase in cash and cash equivalents | \$ 79,405 |
| Cash and cash equivalents at beginning of year | 70,468 |
| Cash and cash equivalents at end of year | \$ 149,873 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Edu-GIRLS, Inc.
Notes to Financial statements

A. Organization and significant accounting policies

Edu-GIRLS, Inc. is a US-based nonprofit corporation headquartered in Bethesda, MD; and, it was established in 2014 with the objective of educating Girls living in poverty, who face economic hardship, a gender bias and pressures to marry young primarily located in India, Pakistan and other underprivileged areas in that region.

Edu-GIRLS, Inc. primarily operates as a conduit that channels donations from members of the public to educational organizations seeking to provide access to a high-quality Free education in safe environments to young GIRLS in poverty who otherwise would be denied of any tangible educational opportunities.

Basis of presentation: Net assets and revenue, gains and losses are classified based upon the existence or absence of any donor imposed restrictions. Accordingly, the net assets of Edu-GIRLS, Inc. and changes therein are classified and reported as follows:

In accordance with US GAAP, the FASB issued an update to *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities*, in August 2016. ASU No. 2016-14 reduces the number of net asset classes presented from three to two: net assets without donor restrictions, previously reported as unrestricted net assets, and net assets with donor restrictions, previously reported as temporarily restricted net assets and permanently restricted net assets for prior periods ending. Additionally, ASU No. 2016-14 requires presentation of expenses by functional and natural classification in one location and increases the quantitative disclosures about liquidity and availability of financial assets. The organization adopted ASU No. 2016-14 for its financial statements for the year ended December 31, 2018 and applied the changes retroactively. In accordance with ASU No. 2016-14, contributions received are recorded as without Donor restrictions depending on the existence or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other support is reported as an increase in Donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), Donor restricted net assets are reclassified to without Donor restricted net assets and reported in the Statement of Activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

Method of accounting: The financial statements are prepared on the accrual basis of accounting.

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US-GAAP) requires management to make estimates and assumptions that affect the reported amount of donations, liabilities and contingencies at the date of the statement of financial position and revenue and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents: Edu-GIRLS, Inc. classifies all highly liquid investments with original maturity of less than ninety days as cash equivalents.

Grants and contributions revenue receivable: Grants and contributions receivable, if any, are recorded at net realizable value when the award is rendered, or expenses incurred for federal programs. Management believes that this balance is fully collectible and therefore allowance for doubtful accounts is set at \$-0-.

Contributions: Edu-GIRLS, Inc. recognizes all unconditional contributions received as income in the period received or pledged at net realizable value.

Fixed assets:

None.

Revenue and expense recognition:

Revenue is recorded when the service is rendered, and expenses are recorded when the obligation is incurred.

Income taxes: Edu-GIRLS, Inc. is exempt from Federal income taxation as described in Internal Revenue Code Section 501(c) (3) and is classified as an Organization Exempt from Income Taxation.

Support Income and Expenses: Public Support and contributions are recognized as income over the applicable period received, which is usually a calendar-year basis unless stipulated by the donor.

B. Cash

On December 31, 2019, Edu-GIRLS, Inc. maintained the following account balances for operating cash purposes:

| | <u>2019</u> | |
|------------------------------------|-------------|----------------|
| Checking Account | \$ | 13,256 |
| Savings Account | | 136,607 |
| Petty Cash Account | | 10 |
| Cash & Cash Equivalents | \$ | 149,873 |

C. Availability of Financial Assets

Financial assets available within one year of the balance sheet date for general expenditure are as follows:

| | | |
|---------------------------------|-----------|----------------|
| Cash and cash equivalents | \$ | 149,873 |
| Accounts receivable | | 7,850 |
| Current Assets Available | \$ | 157,723 |

D. Concentration of Risk in Cash Accounts

Deposits are guaranteed by the FDIC up to \$250,000 per depositor per insured bank. Edu-GIRLS, Inc. had no Uninsured balances on December 31, 2019.

E. Receivables

Edu-GIRLS, Inc. did not trade in accounts receivable with its supporters in 2019.

F. Fixed Assets

No fixed assets were acquired during the periods ending December 31, 2019.
No Depreciation expense was recorded for the periods ending December 31, 2019.

G. Accounting for Uncertainty in Income Taxes

Edu-GIRLS, Inc. has been treated as a 501(c) (3) non-profit organization exempt from state and Federal Income taxes; therefore, no taxes are currently payable by the organization.

There are no known events within the next twelve months that will change this status.

H. Concentration of Credit Risk in Revenues

Edu-GIRLS, Inc. receives its revenues primarily from public support, including donations. In 2019, the Organization had \$16,000 of donor restricted net assets restricted to grant awards to schools for capital and equipment budgets.

I. Interest Income

Interest income of \$361 in 2019, on the statement of activities, is from idle cash in the organizations savings account.

J. Related Party Transactions

On December 31, 2019, Edu-GIRLS, Inc. had not identified any related party transactions.

K. Employee Benefit Plans

As there are no employees and thus, there are no employee benefit plans. ☹️

L. Leases

The Organization operates out of private property and there are no leases.

M. Fair Market Value

The carrying amounts reflected in the statement of financial position for cash & cash equivalents, contributions & other receivables, accrued liabilities, and grants payable approximate the respective fair values due to the short maturities of those transactions.

M. Date of Management's Review & Subsequent Events

Management has evaluated subsequent events for disclosure in the financial statements through June 30, 2020, which is the date the financial statements were available to be issued. There were no known subsequent events for disclosure through this date.

Management has evaluated the effect of COVID-19 on its operations and its ability to exist as a going concern and given the level of cash on hand it believes that it has taken the necessary steps to remain viable as an entity on into the future.