

# Girl Rising

Financial Statements

December 31, 2021 and 2020

**mazars**

Mazars USA LLP is an independent member firm of Mazars Group.

# Girl Rising

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## Independent Auditors' Report

To the Board of Directors  
Girl Rising

### Opinion

We have audited the accompanying financial statements of Girl Rising (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Rising as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Girl Rising and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Rising's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Girl Rising's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Rising's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Mazars USA LLP*

August 31, 2022

# Girl Rising

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

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 1,240,099	\$ 1,247,090
Contributions receivable	382,850	526,000
Prepaid expenses and other assets	22,262	42,520
Girl Rising film rights, net	578,871	1,157,742
	<hr/>	<hr/>
Total assets	\$ 2,224,082	\$ 2,973,352
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 202,308	\$ 93,163
Contract advances	102,857	242,381
Paycheck Protection Program loan	-	138,400
Note payable	225,000	300,000
	<hr/>	<hr/>
Total liabilities	530,165	773,944
	<hr/>	<hr/>
<b>Net assets</b>		
Without donor restrictions	714,842	1,469,638
With donor restrictions	979,075	729,770
	<hr/>	<hr/>
Total net assets	1,693,917	2,199,408
	<hr/>	<hr/>
Total liabilities and net assets	\$ 2,224,082	\$ 2,973,352
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The accompanying notes are an integral part of these financial statements.

# Girl Rising

## Statements of Activities Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support						
Contributions	\$ 1,683,393	\$ 658,674	\$ 2,342,067	\$ 1,341,035	\$ 528,018	\$ 1,869,053
Fees for services	402,621	-	402,621	296,972	-	296,972
Forgiveness of PPP loans	276,800	-	276,800	-	-	-
Donated services	202,000	-	202,000	134,415	-	134,415
Royalties and licensing fees	20,820	-	20,820	18,183	-	18,183
Other income	1,855	-	1,855	2,373	-	2,373
Net assets released from restrictions	409,369	(409,369)	-	440,124	(440,124)	-
Total revenues and other support	2,996,858	249,305	3,246,163	2,233,102	87,894	2,320,996
Expenses						
Program services	3,004,152	-	3,004,152	2,023,051	-	2,023,051
Management and general	382,715	-	382,715	371,555	-	371,555
Fund raising	364,787	-	364,787	311,218	-	311,218
Total expenses	3,751,654	-	3,751,654	2,705,824	-	2,705,824
Change in net assets	(754,796)	249,305	(505,491)	(472,722)	87,894	(384,828)
Net assets, beginning of year	1,469,638	729,770	2,199,408	1,942,360	641,876	2,584,236
Net assets, end of year	\$ 714,842	\$ 979,075	\$ 1,693,917	\$ 1,469,638	\$ 729,770	\$ 2,199,408

The accompanying notes are an integral part of these financial statements.

# Girl Rising

## Statement of Functional Expenses Year Ended December 31, 2021

	Program Services							Supporting Services			Total
	Activation & Movement Building	India Campaign	Measurement & Evaluation	Educator	GEF	Explore More	Other Programs	Total Program Expenses	Management and General	Fund Raising	
Salaries	\$ 205,165	\$ 29,186	\$ 62,945	\$ 82,698	\$ 37,542	\$ 33,831	\$ 48,006	\$ 499,373	\$ 156,089	\$ 296,651	\$ 952,113
Payroll taxes and employee benefits	24,855	3,547	7,878	10,082	5,065	4,598	7,823	63,848	-	33,788	97,636
Total personnel costs	230,020	32,733	70,823	92,780	42,607	38,429	55,829	563,221	156,089	330,439	1,049,749
Amortization of film rights	-	-	-	-	-	-	537,332	537,332	27,041	14,498	578,871
Contract managers	99,900	40,190	101,032	72,333	50,142	212,832	136,991	713,420	-	6,498	719,918
Consultants	4,000	78,843	136,365	17,200	-	8,482	12,436	257,326	14,145	-	271,471
Production costs	48,947	-	-	-	8,866	250	87,329	145,392	-	1,778	147,170
Professional fees	5,861	17,000	1,600	1,245	-	407	2,346	28,459	48,954	3,366	80,779
Legal services	90,900	-	-	-	-	-	-	90,900	111,100	-	202,000
Office expenses	1,997	3,119	25,087	1,007	2,122	5,053	35,216	73,601	9,050	4,984	87,635
Events	-	-	-	-	833	-	-	833	-	1,271	2,104
Travel	804	-	-	-	1,158	1,358	297	3,617	9,602	1,953	15,172
Awards	250	114,500	-	-	80,000	-	118,579	313,329	-	-	313,329
Occupancy	-	-	-	-	-	-	-	-	6,273	-	6,273
Bank charges	631	6,551	9,947	-	6,296	18,027	-	41,452	-	-	41,452
Social media	8,407	129	-	-	-	-	-	8,536	300	-	8,836
Marketing and advertising	3,078	-	-	-	-	-	-	3,078	-	-	3,078
Field costs	1,398	50,278	14,505	5,709	47,552	91,644	12,570	223,656	161	-	223,817
Total expenses	\$ 496,193	\$ 343,343	\$ 359,359	\$ 190,274	\$ 239,576	\$ 376,482	\$ 998,925	\$ 3,004,152	\$ 382,715	\$ 364,787	\$ 3,751,654

The accompanying notes are an integral part of these financial statements.

# Girl Rising

## Statement of Functional Expenses Year Ended December 31, 2020

	Program Services						Supporting Services			Total
	Activation & Movement Building	India Campaign	Educator	GEF	Explore More	Other Programs	Total Program Expenses	Management and General	Fund Raising	
Salaries	\$ 71,696	\$ -	\$ 2,111	\$ 96,707	\$ 60,624	\$ 228,032	\$ 459,170	\$ 95,336	\$ 257,470	\$ 811,976
Payroll taxes and employee benefits	6,700	-	197	9,037	5,665	21,308	42,907	8,909	24,058	75,874
Total personnel costs	78,396	-	2,308	105,744	66,289	249,340	502,077	104,245	281,528	887,850
Amortization of film rights	-	-	-	-	-	537,332	537,332	27,041	14,498	578,871
Consultants	13,843	-	65,016	18,683	201,834	118,484	417,860	19,213	5,276	442,349
Production costs	83,077	-	-	-	25,278	15,194	123,549	-	-	123,549
Professional fees	11,287	12,000	13,183	-	4,373	-	40,843	56,173	453	97,469
Awards	4,257	78,359	1,000	116,750	-	109,300	309,666	-	-	309,666
Legal services	-	-	-	-	-	-	-	126,915	-	126,915
Office expenses	1,447	-	540	14,328	3,106	11,506	30,927	7,386	2,765	41,078
Events	-	-	-	-	-	-	-	-	4,500	4,500
Travel	643	-	-	3,130	12,780	861	17,414	4,656	2,198	24,268
Occupancy	-	-	-	-	-	-	-	9,695	-	9,695
Bank charges	-	2,645	-	22	738	647	4,052	15,349	-	19,401
Merchandising costs	1,527	-	-	-	-	-	1,527	-	-	1,527
Social media	2,507	140	-	-	-	-	2,647	834	-	3,481
Marketing and advertising	4,812	-	-	-	-	-	4,812	48	-	4,860
Other	-	-	-	1,001	24,905	5,966	31,872	-	-	31,872
Total expenses	201,796	93,144	82,047	259,658	339,303	1,048,630	2,024,578	371,555	311,218	2,707,351
Less Cost of Goods Sold	(1,527)	-	-	-	-	-	(1,527)	-	-	(1,527)
	<u>\$ 200,269</u>	<u>\$ 93,144</u>	<u>\$ 82,047</u>	<u>\$ 259,658</u>	<u>\$ 339,303</u>	<u>\$ 1,048,630</u>	<u>\$ 2,023,051</u>	<u>\$ 371,555</u>	<u>\$ 311,218</u>	<u>\$ 2,705,824</u>

The accompanying notes are an integral part of these financial statements.



## Girl Rising

### Statements of Cash Flows Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ (505,491)	\$ (384,828)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Amortization of film rights	578,871	578,871
Forgiveness of PPP loans	(276,800)	-
Increase (decrease) in cash and cash equivalents attributable to changes in operating assets and liabilities:		
Contributions receivable	143,150	(231,300)
Accounts receivable	-	50,008
Prepaid expenses and other assets	20,258	27,055
Accounts payable and accrued expenses	109,145	(25,775)
Contract advances	(139,524)	242,381
Net cash (used in) provided by operating activities	<u>(70,391)</u>	<u>256,412</u>
Cash flows from financing activities		
Repayment of note payable	(75,000)	(30,000)
Proceeds from PPP loan	138,400	138,400
Net cash provided by financing activities	<u>63,400</u>	<u>108,400</u>
Net (decrease) increase in cash and cash equivalents	(6,991)	364,812
Cash and cash equivalents		
Beginning of year	<u>1,247,090</u>	<u>882,278</u>
End of year	<u>\$ 1,240,099</u>	<u>\$ 1,247,090</u>

The accompanying notes are an integral part of these financial statements.

# Girl Rising

## Notes to Financial Statements Years Ended December 31, 2021 and 2020

### 1. Nature of Organization

#### Business Description

Girl Rising (“GR”) was incorporated on February 28, 2017 in the District of Columbia. The Internal Revenue Service has determined that Girl Rising is exempt from Federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly-supported organization as described in Section 170(b)(1) of the Internal Revenue Code.

Girl Rising’s mission is to use the power of storytelling to change the way the world values girls and their education. Through media creation, educational tools and programs, and direct support of local organizations, Girl Rising ignites change so that girls everywhere can learn, rise and thrive.

In 2021, Girl Rising worked with over 110 partners across 12 countries, delivering programming that reached more than 8 million adolescents and tens of thousands of educators. Girl Rising trains educators from these partner organizations to utilize the Girl Rising educational tools to build voice, agency and confidence in girls so that they can persist in their education; to foster more inclusive learning environments that lead to improved education outcomes for girls; and works together with partners to change attitudes and social norms that are major barriers to girls’ education and equality. Girl Rising also financially supports select local organizations that are implementing innovative local solutions to girls’ education to strengthen the long-term sustainability and effectiveness of local organizations. In 2021 Girl Rising launched a new multi-year program, Future Rising, a storytelling, education and social action campaign focused on the connections between climate change and girls’ education.

Ten Times Ten LLC, (TTT), a for-profit limited liability company, created the *Girl Rising* film and owned and operated the Girl Rising brand and focused on (a) promoting the education, empowerment and human and civil rights of girls around the world; (b) educating the public about the importance of girls’ education and (c) educating the public about the challenges girls face in the many parts of the world with the goal of eliminating prejudice and discrimination against girls everywhere (the “Business”).

On December 28, 2017, TTT contributed the Business to GR under an Asset Transfer Agreement (“Transfer Agreement”).

### 2. Summary of Significant Accounting Policies

#### 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 the reported amounts of assets 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 reporting period. Actual results could differ from those estimates.

#### Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. GR follows the provisions of ASU 2016-14, “Presentation of Financial Statement of Not-for-profit-Entities” (Topic 958).

#### Cash and Cash Equivalents

Girl Rising considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

As of December 31, 2021, GR maintains its cash balances with one major financial institution. Amounts at the financial institution are insured by the Federal Deposit Insurance Corporation. Balances may exceed insured limits from time to time. As of December 31, 2021, the uninsured balance totaled approximately \$971,000.

## Girl Rising

### Film Rights

As part of the transfer asset agreement with TTT, GR obtained the rights to the *Girl Rising* film. GR obtains revenue through royalties and licensing fees. The film rights were recognized at the fair value at the date of contribution of \$2,894,355 and is being amortized over 5 years.

### Contributions

Girl Rising reports gifts of cash and other assets as with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, with 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. However, the receipt of any with donor restriction contributions whose restrictions expire, or are otherwise satisfied within the period of receipt, are reported as without donor restricted revenues in the statement of activities.

### Fees for Services

GR produces films related to their mission, along with other film, radio and event production and postproduction work. Typically, Girl Rising maintains the rights to these films; some films are made in collaboration with corporations who then obtain the rights. In addition, GR develops and implements learning curriculums on a contract basis. Revenue is recognized over time by measuring the progress toward completed satisfaction of the contract. Payments received in advance of these services are reported as contract advances until the services are performed.

### Royalties and Licensing Fees

Royalties and licensing fees are obtained from the films and material owned by GR. Revenue is recognized at a point in time when such usage rights are transferred to third parties.

### Merchandise Revenue

Revenue is recognized when the goods transfer to the customer.

### Contributions 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 discounted to fair value using an appropriate interest rate applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met and are reflected as deferred revenue in the accompanying statement of financial position.

### In-Kind Contributions

In-kind contributions for services or the use of equipment, materials or facilities at less than fair value are recorded at their fair value in accordance with accounting literature, if the services (a) create or enhance on financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchases by Girl Rising. In-kind contribution goods are materials that are recorded at their fair value. GR receives services from a large number of volunteers who give significant amounts of their time to the Girl Rising's programs and fund-raising campaigns but which do not meet the criteria for financial statement recognition.

### Major Contributors

Two organizations accounted for 38% of total revenue for the year ended December 31, 2021. Two organizations accounted for 57% of contributions for the year ended December 31, 2020.

### Functional Allocation of Expenses

The costs of providing the various programs and 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. Expenses directly attributable to a specific functional area of the GR are reported as expenses of those functional areas. A portion of management and general costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on the proportion of full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalents.

## Girl Rising

### Net Assets

The net assets of Girl Rising and changes therein are classified and reported as follows:

#### Without Donor Restrictions

Funds that are undesignated and available for general purposes are used for the general activity of Girl Rising. The Board may designate a portion of these net assets for a specific purpose which makes them unavailable for use at management's discretion.

At December 31, 2021 and 2020, there were no net assets with Board designations.

#### With Donor Restrictions

With Donor Restrictions net assets consist of resources whose use has been restricted by donors. The release of net assets from restrictions results from either the satisfaction of the restricted purposes specified by the donors, or from the passage of time.

### 3. Contributions Receivable

Contributions receivable include unconditional promises to give as follows:

	2021	2020
Receivable in less than one year	\$ 342,850	\$ 326,000
Receivable in one to five years	40,000	200,000
	<u>\$ 382,850</u>	<u>\$ 526,000</u>

### 4. Note Payable

As part of the asset transfer agreement with TTT in 2017, GR assumed a note payable for \$1,230,000. The loan is non-interest bearing and was originally payable in varying amount installments through December 2027.

The Board of Girl Rising and TTT initiated discussions in October 2019 to change the terms of the loan. TTT agreed to negotiate a reduced loan amount and agreed to waive the required 2019 payments due. On December 24, 2019, the lender amended the loan by agreeing to reduce the loan amount to \$330,000. Accordingly, Girl Rising recorded loan forgiveness of \$783,365, for the difference between the outstanding balance less present value discount and the new loan payable balance of \$330,000, as a contribution for the year ended December 31, 2019.

During the years ended December 31, 2021, and 2020, \$75,000 and \$30,000 of the principal was repaid, respectively in accordance with the amended loan agreement. Under the terms of the payment plan agreed to as part of the amended loan agreement, \$75,000 is due and payable annually from 2022 through 2024.

Future maturities of the note payable are as follows:

2022	\$ 75,000
2023	75,000
2024	75,000
	<u>\$ 225,000</u>

## Girl Rising

### 5. Donor Restricted Net Assets

Donor restricted net assets at December 31 are available for the following purposes or periods:

	2021	2020
Global Education Fund	\$ 284,448	\$ 138,878
Guatemala	64,892	64,892
Future rising	191,452	-
India	42,721	-
Nigeria	12,712	-
Time restricted	382,850	526,000
	<u>\$ 979,075</u>	<u>\$ 729,770</u>

Net assets released from restriction for the years ended December 31 were as follows:

	2021	2020
Global Education Fund	\$ 94,869	\$ 286,924
Time restricted	314,500	153,200
	<u>\$ 409,369</u>	<u>\$ 440,124</u>

### 6. Liquidity and Availability

Girl Rising's financial assets available within one year of the statement of financial position date for general expenditures is as follows:

December 31,	2021	2020
Cash and cash equivalents	\$ 1,240,099	\$ 1,247,090
Contributions receivable	382,850	526,000
Financial assets available within one year	<u>1,622,949</u>	<u>1,773,090</u>
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with time restrictions	40,000	200,000
Restricted by donors with purpose restrictions	<u>596,225</u>	<u>203,770</u>
Total amounts available for general expenditures within one year	<u>\$ 986,724</u>	<u>\$ 1,369,320</u>

Girl Rising maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. GR seeks donations from individuals, foundations and corporations to cover its operational expenses. GR also expects to receive revenue from fundraising events, partnerships with corporations, fees for film production services and earned revenue. Earned revenue includes revenue from the Girl Rising film including digital downloads and DVD sales from the GR website, film licensing fees and royalties from individuals and distributors, and merchandising revenue from GR's website.

## Girl Rising

### 7. In-Kind Contributions

The fair value of donated services and goods are included as contributions in the financial statements and as corresponding expenses for the years ended December 31, 2021, and 2020 are as follows:

	2021	2020
Legal services	\$ 202,000	\$ 126,915
Rent	-	7,500
	<u>\$ 202,000</u>	<u>\$ 134,415</u>

### 8. Employee Benefit Plan

Girl Rising offers employees the opportunity to participate in a retirement plan. Employees become eligible to participate in the Company's retirement plan after being employed for 90 days. Plan participants may make pre-tax contributions to a retirement account. Girl Rising does not make any matching contributions to the plan.

### 9. Paycheck Protection Program Loans

On April 20, 2020, Girl Rising secured a loan from a bank of \$138,400 through the U.S. Small Business Administration's Paycheck Protection Program ("PPP Loan"). The loan has an interest rate of 1% and matured on April 20, 2022.

Girl Rising is following provisions of ASC 405-20-1 which states a debtor shall derecognize a liability if and only if it has been extinguished. A liability has been extinguished if either of the following conditions is met:

- The debtor pays the creditor and is relieved of its obligation for the liability
- The debtor is legally released from being the primary obligor under the liability, either judicially or by the creditor.

On February 1, 2021, GR was notified that their forgiveness application had been processed and approved by the U.S. Small Business Administration.

A second loan of \$138,400 was secured from a bank under the program on January 28, 2021. The loan has an interest rate of 1% and matures on January 27, 2026. On October 4, 2021, GR was notified that the second loan of \$138,400 had been forgiven by the U.S. Small Business Administration.

The forgiveness of both loans is reflected under forgiveness of PPP loans in the accompanying statement of activities.

### 10. COVID-19

As a result of COVID-19, Girl Rising has adjusted the delivery of certain programs, including utilizing electronic delivery methods and utilizing local resources wherever possible in order to minimize staff travel. GR has sought to reduce other variable expenses wherever possible, including shifting to a fully remote workforce. GR is monitoring the potential future impact of COVID-19, which remains uncertain as of the date of these financial statements.

### 11. Subsequent Events

Girl Rising has evaluated subsequent events through August 31, 2022, the date the financial statements were available to be issued.

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