

VOW for Girls, Inc.

Formerly known as
VOW – To End Child Marriage, Inc.

Financial Statements

December 31, 2020

Independent Auditors' Report

To the Board of Directors
VOW for Girls, Inc.
(Formerly known as VOW – To End Child Marriage, Inc.)

We have audited the accompanying financial statements of VOW for Girls, Inc. (formerly known as VOW – To End Child Marriage, Inc.), which comprise the statement of financial position as of December 31, 2020, and the related statements 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 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 of 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 VOW for Girls, Inc. (formerly known as VOW – To End Child Marriage, Inc.) as of December 31, 2020, 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.

Report on Summarized Comparative Information

The 2019 financial statements were reviewed by us and our report thereon, dated September 9, 2020, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements. The summarized comparative information presented herein as of December 31, 2019 is consistent with the reviewed financial statements from which they are derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information in Schedule 1 – 100% Model on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for that portion marked “unaudited,” has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

August 27, 2021

VOW for Girls, Inc.
(Formerly known as VOW - To End Child Marriage, Inc.)

Statement of Financial Position
December 31, 2020
(with comparative amounts as of December 31, 2019)

	2020	2019
	(audited)	(unaudited)
ASSETS		
Cash and cash equivalents	\$ 174,354	\$ 125,934
Contributions receivable, net	1,209,500	89,235
Prepaid expenses	17,473	5,273
Total Assets	\$ 1,401,327	\$ 220,442
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 4,793	\$ 30,361
Net Assets		
Without donor restrictions	383,309	118,392
With donor restrictions	1,013,225	71,689
Total Net Assets	1,396,534	190,081
Total Liabilities and Net Assets	\$ 1,401,327	\$ 220,442

See notes to financial statements

VOW for Girls, Inc.
(Formerly known as VOW - To End Child Marriage, Inc.)

Statement of Activities
Year Ended December 31, 2020
(with comparative amounts for the year ended December 31, 2019)

	2020			2019
	Without Donor Restrictions	(audited) With Donor Restrictions	Total	(unaudited) Total
REVENUE AND SUPPORT				
Contributions				
Operational donors	\$ 1,017,961	\$ 1,500,000	\$ 2,517,961	\$ 180,000
Corporate partners	-	159,399	159,399	177,855
In-kind contributions	29,050	-	29,050	58,549
Former fiscal sponsor	-	-	-	40,168
Other	-	12,903	12,903	2,900
Total Contributions	<u>1,047,011</u>	<u>1,672,302</u>	<u>2,719,313</u>	<u>459,472</u>
Net assets reclassification	(19,234)	19,234		
Net assets released from restrictions	<u>750,000</u>	<u>(750,000)</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>1,777,777</u>	<u>941,536</u>	<u>2,719,313</u>	<u>459,472</u>
EXPENSES				
Program	898,702	-	898,702	207,783
Management and general	297,327	-	297,327	40,503
Fundraising	<u>316,831</u>	<u>-</u>	<u>316,831</u>	<u>21,105</u>
Total Expenses	<u>1,512,860</u>	<u>-</u>	<u>1,512,860</u>	<u>269,391</u>
Change in Net Assets	264,917	941,536	1,206,453	190,081
NET ASSETS				
Beginning of year	<u>118,392</u>	<u>71,689</u>	<u>190,081</u>	<u>-</u>
End of year	<u>\$ 383,309</u>	<u>\$ 1,013,225</u>	<u>\$ 1,396,534</u>	<u>\$ 190,081</u>

See notes to financial statements

VOW for Girls, Inc.
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Statement of Functional Expenses
Year Ended December 31, 2020
(with summarized totals for the year ended December 31, 2019)

	2020 (audited)			2019 (unaudited)	
Program	Management and General	Fundraising	Total	Total	
Grants and awards	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ 130,000
Salaries and related expenses	161,170	163,749	164,024	488,943	47,985
Professional fees	418,435	118,431	138,065	674,931	32,803
In-kind professional fees	29,050	-	-	29,050	58,549
Advertising and marketing	28,316	4,207	4,214	36,737	-
Technology and telephone	7,006	7,117	7,129	21,252	-
Travel	2,028	2,060	2,064	6,152	-
Office supplies and others	824	673	675	2,172	-
Bank charges	1,225	431	-	1,656	54
Insurance	433	440	441	1,314	-
Meetings and receptions	215	219	219	653	-
	<u>\$ 898,702</u>	<u>\$ 297,327</u>	<u>\$ 316,831</u>	<u>\$ 1,512,860</u>	<u>\$ 269,391</u>

See notes to financial statements

VOW for Girls, Inc.
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Statement of Cash Flows
Year Ended December 31, 2020
(with comparative amounts for the year ended December 31, 2019)

	2020	2019
	(audited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,206,453	\$ 190,081
Adjustments to reconcile change in net assets to net cash from operating activities		
Change in operating assets and liabilities		
Contributions receivable, net	(1,120,265)	(89,235)
Prepaid expenses	(12,200)	(5,273)
Accounts payable and accrued liabilities	(25,568)	30,361
Net Cash from Operating Activities	48,420	125,934
 CASH AND CASH EQUIVALENTS		
Beginning of year	125,934	-
	\$ 174,354	\$ 125,934

See notes to financial statements

VOW for Girls, Inc.
(formerly known as VOW – To End Child Marriage, Inc.)

Notes to Financial Statements
December 31, 2020

1. Organization Purpose and Tax Status

VOW for Girls, Inc. (formerly known as VOW – To End Child Marriage, Inc.) (“VOW”) is a not-for-profit organization incorporated under the laws of the State of Delaware in September 2018. The purpose of VOW is to raise funds from individuals, brands, and the wedding industry to foster, facilitate, support, and conduct programs, projects and activities designed to end child marriage worldwide. These programs consequently increase girls’ access to education, provide job training, reduce rates of underage maternal and child death and further human rights by enabling girls all over the world to fulfill their potential and own their futures.

In October of 2018, VOW entered into a fiscal sponsorship agreement with Give Lively Foundation, Inc. (“Give Lively”). Per the terms of the agreement, Give Lively received contributions on behalf of VOW to carry out the purpose of VOW’s mission.

In June 2019, VOW obtained exempt status and Give Lively has granted all remaining assets that were designated for VOW, which amounted to \$61,283 and are included as contributions from former fiscal sponsor in the accompanying statement of activities for the year ended December 31, 2019. The Internal Revenue Service has determined that VOW is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

In March 2021, VOW legally changed its name from VOW – To End Child Marriage, Inc. to VOW for Girls, Inc.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 these estimates.

Net Asset Classifications

VOW reports information regarding financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions - Resources that are fully available at the discretion of management and the Board of Directors (the Board), for use in activities within VOW’s charter and mission.

VOW for Girls, Inc.
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Notes to Financial Statements
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Net Asset Classifications (continued)

With donor restrictions – represent amounts restricted by donors to be used for specific activities or at some future date. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash equivalents include liquid investments with a maturity of three months or less at the time of purchase.

Contributions and Contributions Receivable

Contributions to VOW are recorded as revenue upon the receipt of an unconditional pledge or cash or other assets. Contributions are considered available for general use, unless the donors restrict their use. Contributions received that are due in more than one year are discounted at a risk-adjusted rate. As of December 31, 2020, \$610,000 was due within one year and \$600,000 was due within two to three years, therefore a small discount was applied. In 2019, no contributions were to be received in excess of one year.

VOW's operational expenses, that include employee compensation and related expenses, fundraising expenses and all other general and administrative expenses are paid for by private donors, companies, and foundations through contributions without donor restrictions. These amounts are included as contributions from operational donors on the accompanying statement of activities. No other cash contributions are used to offset these expenses.

All other contributions, including those made by corporate partners, are raised specifically for program expenses and 100% of these contributions are to be used to support the Girls First Fund, a philanthropic fund for Capital For Good USA, a public charity. These amounts are included as contributions from corporate partners and other contributions on the accompanying statement of activities, and are shown as with donor restrictions, unless no specific restrictions are noted.

Allowance for Doubtful Accounts

VOW maintains an allowance for doubtful accounts for estimated losses that may result from the inability of its donors to make required payments. Such allowances are based upon several factors including, but not limited to, historical collection experience and financial condition of the respective donor. As of December 31, 2020 and 2019, no allowance was considered necessary by management.

VOW for Girls, Inc.
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Notes to Financial Statements
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

In-Kind Contributions

Contributed or donated services are reported in the financial statements at fair value if those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and that would typically be purchased if not provided by donation.

Advertising

VOW expenses the costs of advertising as incurred. Advertising costs totaled \$36,737 for the year ended December 31, 2020. There were no advertising costs for the year ended December 31, 2019.

Functional Allocation of Expenses

The costs of providing the program and other activities of VOW have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with particular programs or support functions are charged directly to that program or function. Salaries and related costs have been allocated among the programs and supporting services based upon management's best estimates of time and effort.

Accounting for Uncertainty in Income Taxes

VOW recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that VOW had no uncertain tax positions that would require financial statement recognition or disclosure. Periods since inception remain open to examination.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is August 27, 2021.

3. Concentration of Credit Risk

Financial instruments that potentially subject VOW to concentrations of credit risk consist principally of cash and cash equivalents and contributions receivable. At times, cash balances may be in excess of the balance insured by the Federal Deposit Insurance Corporation. Concentrations of credit risk with respect to receivables are limited as they are due from well-known institutional donors that were instrumental in the organization's creation and mission and there have been no collectability issues to date.

VOW for Girls, Inc.
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Notes to Financial Statements
December 31, 2020

4. Net Assets With Donor Restrictions

Contributions received with donor restrictions amounted to \$1,691,536 and \$220,923 for the years ended December 31, 2020 and 2019. Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor amounted to \$750,000 and \$149,234 for the years ended December 31, 2020 and 2019. Net assets with donor restrictions as of December 31 amounted to the following:

	2020	2019
Purpose restricted	\$ 13,225	\$ 71,689
Time restricted	1,000,000	-
	\$ 1,013,225	\$ 71,689

5. Availability and Liquidity

The following chart reflects VOW's financial assets as of December 31, reduced by amounts considered to not be available for general use within one year of that statement of financial position date. These assets are not available due to either contractual or donor-imposed restrictions or to internal designations.

	2020	2019
Financial Assets:		
Cash and cash equivalents	\$ 174,354	\$ 125,934
Contributions receivable, net	1,209,500	89,235
Total Financial Assets	1,383,854	215,169
Less: Contribution receivables greater than 12 months	(499,500)	-
Donor imposed restrictions	(513,725)	(71,689)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 370,629	\$ 143,480

VOW's revenue sources are comprised of contributions and grants. Contributions and grants are recognized in the period in which they are pledged and awarded. In the normal course of its operations, VOW will have enough cash on hand to satisfy its operating cash flow requirements but may also have excess cash balances depending on the timing of payment of its grant commitments.

VOW for Girls, Inc.
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Notes to Financial Statements
December 31, 2020

6. Concentration of Revenue and Related Parties

One of VOW's board members holds an executive position at a foundation that is an operational donor to VOW, donating \$615,600 and \$180,000 during 2020 and 2019, which represented 23% and 44% of total support and revenue. In 2020 and 2019, VOW granted \$250,000 and \$130,000 to Girls First Fund, a philanthropic fund for Capital For Good USA, a public charity, where another VOW board member is also on the governance committee. The Board of Directors of VOW have relationships or affiliations with operational donors and grantees. The nature of these relationships does not meet the criteria that would require consolidation.

Additionally, in 2020 two operational donors represent 55% and 11% of total revenue and 83% and 17% of the total contributions receivable. In 2019 a single corporate partner represents 20% of total revenue and 99% of the total contributions receivable. A second corporate partner represents 14% of total revenue and contributions from the former fiscal sponsor represent 15% of total revenue.

7. COVID-19

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease ("COVID-19") as a pandemic. The spread of the coronavirus around world during 2020 has caused significant volatility in the U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19. As well as its impact on the U.S. and international economies and as such, VOW is unable to determine if it will have a material impact on future operations, revenue, profitability and financial position.

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VOW for Girls, Inc.
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Schedule 1 - 100% Model
For the Years Ended December 31, 2020 and 2019
(Cash Basis)**

	Non-Operational Contributions *		Operational Contributions **		Total Contributions		Cumulative Total Contributions
	2019 (unaudited)	2020 (audited)	2019 (unaudited)	2020 (audited)	2019 (unaudited)	2020 (audited)	
REVENUE AND SUPPORT							
Contributions and revenues, net	\$ 131,688	\$ 251,438	\$ 238,549	\$ 1,347,610	\$ 370,237	\$ 1,599,048	\$ 1,969,285
Total Revenue and Support	<u>131,688</u>	<u>251,438</u>	<u>238,549</u>	<u>1,347,610</u>	<u>370,237</u>	<u>1,599,048</u>	<u>1,969,285</u>
	Grants Paid with Non-Operational Contributions *		Cost Covered by Operational Contributions **		Total Grants Paid and Costs Covered by Contributions		Cumulative Total Grants and Costs
	2019 (unaudited)	2020 (audited)	2019 (unaudited)	2020 (audited)	2019 (unaudited)	2020 (audited)	
EXPENSES							
Program services:							
Grants	130,000	250,000	-	-	130,000	250,000	380,000
Program salaries and overhead	-	-	81,850	648,815	81,850	648,815	730,665
Subtotal - Program Services	<u>130,000</u>	<u>250,000</u>	<u>81,850</u>	<u>648,815</u>	<u>211,850</u>	<u>898,815</u>	<u>1,110,665</u>
Fundraising:							
Communications and events production	-	-	1,894	156,120	1,894	156,120	158,014
Development salaries and overhead	-	-	9,597	174,552	9,597	174,552	184,149
Subtotal - Fundraising	<u>-</u>	<u>-</u>	<u>11,491</u>	<u>330,672</u>	<u>11,491</u>	<u>330,672</u>	<u>342,163</u>
Administration salaries and overhead	-	-	20,962	321,139	20,962	321,139	342,101
Total Expenses	<u>130,000</u>	<u>250,000</u>	<u>114,303</u>	<u>1,300,626</u>	<u>244,303</u>	<u>1,550,626</u>	<u>1,794,929</u>
Change in Net Assets	\$ 1,688	\$ 1,438	\$ 124,246	\$ 46,984	\$ 125,934	\$ 48,422	\$ 174,356

* 100% of non-operational contributions without donor restrictions pay for grants within one year.
Contributions without donor restrictions received in 2019 and 2020 were used to pay for grants in 2020.

** 100% of overhead cost are covered by operational contributions unless specifically funded by contributions with donor restrictions.

*** The cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America.
As such, unlike the accompanying financial statements, revenues are recognized when received and expenses recognized when paid.

See independent auditors' report