



Leadership Defined

**REPORT ON REVIEWS
OF FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017**

GIRL TALK, INC.
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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Jones and Kolb
Certified Public Accountants
Atlanta, Georgia

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Girl Talk, Inc.
Atlanta, Georgia

We have reviewed the accompanying financial statements of Girl Talk, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Jones and Kolb

May 31, 2019

GIRL TALK, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	<u>ASSETS</u>	
	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 292,295	\$ 381,171
Receivables	246	6,750
Prepaid expenses	4,373	2,685
Property and equipment, net	<u>628</u>	<u>888</u>
Total assets	<u>\$ 297,542</u>	<u>\$ 391,494</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	<u>\$ 5,758</u>	<u>\$ 2,484</u>
NET ASSETS		
Without donor restrictions	235,657	263,597
With donor restrictions	<u>56,127</u>	<u>125,413</u>
Total net assets	<u>291,784</u>	<u>389,010</u>
Total liabilities and net assets	<u>\$ 297,542</u>	<u>\$ 391,494</u>

See Independent Accountant's Review Report
and Notes to Financial Statements.

GIRL TALK, INC.
STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 339,993	\$ 37,100	\$ 377,093	\$ 467,304	\$ 105,450	\$ 572,754
Program income	17,521	-	17,521	18,217	-	18,217
In-kind donations	187,293	-	187,293	42,487	-	42,487
Other income	30,195	-	30,195	692	-	692
Interest and dividends	405	23	428	534	25	559
Total support and revenue	<u>575,407</u>	<u>37,123</u>	<u>612,530</u>	<u>529,234</u>	<u>105,475</u>	<u>634,709</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>106,409</u>	<u>(106,409)</u>	<u>-</u>	<u>126,895</u>	<u>(126,895)</u>	<u>-</u>
EXPENSES						
Program services	532,879	-	532,879	451,194	-	451,194
Management and general	79,644	-	79,644	86,487	-	86,487
Fundraising	97,233	-	97,233	83,768	-	83,768
Total expenses	<u>709,756</u>	<u>-</u>	<u>709,756</u>	<u>621,449</u>	<u>-</u>	<u>621,449</u>
CHANGE IN NET ASSETS	<u>(27,940)</u>	<u>(69,286)</u>	<u>(97,226)</u>	<u>34,680</u>	<u>(21,420)</u>	<u>13,260</u>
NET ASSETS, beginning of year	<u>263,597</u>	<u>125,413</u>	<u>389,010</u>	<u>228,917</u>	<u>146,833</u>	<u>375,750</u>
NET ASSETS, end of year	<u>\$ 235,657</u>	<u>\$ 56,127</u>	<u>\$ 291,784</u>	<u>\$ 263,597</u>	<u>\$ 125,413</u>	<u>\$ 389,010</u>

See Independent Accountant's Review Report
and Notes to Financial Statements.

GIRL TALK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 184,067	\$ 36,134	\$ 41,312	\$ 77,446	\$ 261,513
Payroll taxes	15,348	3,014	3,445	6,459	21,807
Employee benefits	10,980	2,155	2,463	4,618	15,598
Total personnel expense	210,395	41,303	47,220	88,523	298,918
In-kind donations	162,433	-	24,860	24,860	187,293
Direct program costs	79,987	-	-	-	79,987
Occupancy	36,643	9,160	-	9,160	45,803
Contract services	-	14,944	21,408	36,352	36,352
Technology	22,627	-	-	-	22,627
Professional fees	2,125	10,000	-	10,000	12,125
Travel	4,083	1,671	-	1,671	5,754
Office supplies	3,064	2,043	-	2,043	5,107
Scholarships	6,000	-	-	-	6,000
Other	4,468	-	-	-	4,468
Fundraising	-	-	3,745	3,745	3,745
Dues and subscriptions	726	181	-	181	907
Supplies	328	82	-	82	410
Depreciation	-	260	-	260	260
	\$ 532,879	\$ 79,644	\$ 97,233	\$ 176,877	\$ 709,756

See Independent Accountant's Review Report
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GIRL TALK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 195,016	\$ 50,986	\$ 54,529	\$ 105,515	\$ 300,531
Payroll taxes	16,092	4,357	4,748	9,105	25,197
Employee benefits	10,022	2,710	2,168	4,878	14,900
Total personnel expense	221,130	58,053	61,445	119,498	340,628
Direct program costs	67,762	-	-	-	67,762
Occupancy	38,539	9,635	-	9,635	48,174
Contract services	-	-	17,775	17,775	17,775
Technology	93,670	-	-	-	93,670
Professional fees	3,750	11,940	4,548	16,488	20,238
Travel	6,283	2,576	-	2,576	8,859
Office supplies	2,926	1,950	-	1,950	4,876
Scholarships	6,000	-	-	-	6,000
Other	9,494	-	-	-	9,494
Dues and subscriptions	748	187	-	187	935
Supplies	892	223	-	223	1,115
Depreciation	-	1,923	-	1,923	1,923
	\$ 451,194	\$ 86,487	\$ 83,768	\$ 170,255	\$ 621,449

See Independent Accountant's Review Report
and Notes to Financial Statements.

GIRL TALK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (97,226)	\$ 13,260
 ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Depreciation	260	1,923
Loss on disposal of property and equipment	-	2,664
Changes in:		
Receivables	6,504	(6,658)
Prepaid expenses	(1,688)	(2,685)
Accounts payable	3,274	(2,311)
 Net cash provided by (used in) operating activities	(88,876)	6,193
 NET INCREASE (DECREASE) IN CASH	(88,876)	6,193
 CASH		
Beginning of year	381,171	374,978
 CASH		
End of year	\$ 292,295	\$ 381,171

See Independent Accountant's Review Report
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GIRL TALK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Girl Talk, Inc. (the "Organization") was started in 2002 and incorporated as a Georgia not-for-profit organization on March 11, 2005. The Organization's mission is to inspire all girls to be confident leaders through peer-to-peer mentoring programs. This program has a very simple premise: high school girls mentor middle school girls to help them deal with the issues they face during their formative early teenage years. The Organization qualifies as a publicly-supported tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. These activities are funded primarily through contributions received from individuals, businesses and other organizations.

B. The Organization's policy is to prepare its financial statements on the accrual basis of accounting in conformity with accounting policies generally accepted in the United States of America ("GAAP"). Under the accrual basis of accounting, revenues and the related assets are recognized when earned and expenses are recognized when the obligation is incurred.

C. In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958). This ASU improves the prior net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance and cash flows. The ASU is effective for fiscal years beginning after December 15, 2017. The Organization has adopted this standard for the year ended December 31, 2018 and retroactively applied this standard to the year ended December 31, 2017.

D. The Organization classifies net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. The Organization records contributions of cash and other assets as net assets without donor restrictions unless specifically restricted by the donor. Contributions with donor restrictions are recorded as income without donor restrictions if the restriction expires in the same reporting period that the contribution is recorded. All other restricted contributions are recorded as an increase in net assets with donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Net Assets as "net assets released from restrictions." Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operation of the Organization.

GIRL TALK, INC.
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Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating that resources be maintained in perpetuity. The donors of these assets generally permit the Organization to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are contributions for which restrictions have not been met.

E. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. At times, the Organization's cash balances may be in excess of the federally insured limits. However, given the strength of the financial institution, management believes such excess deposits do not create significant loss exposure.

G. Receivables primarily include donations collected by a donor-advised fund that have been designated for the Organization but not remitted as of year-end.

H. The Organization capitalizes all expenditures for property and equipment in excess of \$1,000. Purchased property and equipment are recorded at cost and donated assets are recorded at their estimated fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful life of the asset ranging from five to ten years. Repairs and maintenance are expensed as incurred.

I. A substantial number of volunteer hours have been donated by individuals in the Organization's program services and, to a lesser extent, its fundraising campaigns and administration. In accordance with GAAP, the Organization records contributed services if the services received (a) create or enhance nonfinancial assets and (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No amounts have been reflected for these types of donated services, as they do not meet the criteria for recognition.

J. Various individuals, corporations and foundations donate significant food, gifts and materials to the Organization for use in its programs. The Organization records these non-cash contributions at their estimated fair market value at the date of the contribution. For the years ended December 31, 2018 and 2017, the Organization recorded \$187,293 and \$42,487 for such

GIRL TALK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

non-cash contributions, respectively. These contributions are recorded as revenue and expenses in the Statements of Activities and Net Assets.

K. The accompanying financial statements report certain categories of expenses that are attributable to one or more functions of the Organization, which are defined as program services, management and general and fundraising. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries, benefits and payroll taxes are allocated based on estimates of time and effort. Other significant categories that are allocated include occupancy, office supplies, and travel, which are allocated based on estimates of the expense category's use. The remainder of the expenses are primarily allocated through a specific identification to the functional expense category due to the nature of the expense.

L. The Organization is exempt from Federal income taxes under the provisions of Section 501(c)(3) of the United States Internal Revenue Code. As such, only unrelated business income as defined by Section 512(a)(1) of the Code is subject to tax. The Organization had no unrelated business income for the year ended December 31, 2018.

M. Subsequent events have been evaluated by management through May 31, 2019, the date these financial statements were available to be issued.

2. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2018</u>	<u>2017</u>
Furniture, fixtures and equipment	\$ 7,549	\$ 7,549
Less accumulated depreciation	<u>(6,921)</u>	<u>(6,661)</u>
Property and equipment, net	<u>\$ 628</u>	<u>\$ 888</u>

GIRL TALK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are purpose restricted as follows at December 31:

	<u>2018</u>	<u>2017</u>
Subject to expenditure for specified purpose:		
Digital experience	\$ 30,366	\$ 26,875
Scholarships	14,783	15,760
Camp	10,100	7,367
Curriculum project	878	63,677
Branding	-	11,734
	<u> </u>	<u> </u>
Total net assets with donor restrictions	<u>\$ 56,127</u>	<u>\$ 125,413</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows for the years ended December 31:

	<u>2018</u>	<u>2017</u>
Digital experience	\$ 23,509	\$ 23,098
Scholarships	1,000	1,000
Camp	7,367	13,306
Curriculum project	62,799	11,323
Branding	11,734	78,168
	<u> </u>	<u> </u>
Total net assets released from restrictions	<u>\$ 106,409</u>	<u>\$ 126,895</u>

4. LEASES

The Organization had an arrangement with a former board chair to lease office space for \$3,400 per month. The lease expired November 30, 2018 and staff worked remotely from home the remainder of the year. Total lease expense for the years ended December 31, 2018 and 2017 was \$37,400 and \$40,800, respectively.

GIRL TALK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

5. CONCENTRATIONS

During the years ended December 31, 2018 and 2017, approximately 41 percent and 48 percent of the Organization's total support and revenue was derived from two and three donors, respectively.

6. LIQUIDITY

The Organization has \$237,414 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$237,168 and accounts receivable of \$246. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

7. SUBSEQUENT EVENT

Effective April 1, 2019, the Organization entered into a lease agreement for new office space with a term of twenty-four months. The initial monthly rent payment equals \$2,243 with a three percent increase after one year.