



Leadership Defined

**REPORT ON REVIEWS
OF FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

GIRL TALK, INC.
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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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, 2019 and 2018, 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

September 21, 2020

GIRL TALK, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash	\$ 268,926	\$ 292,295
Receivables	11,952	246
Prepaid expenses	-	4,373
Property and equipment, net	5,863	628
Total assets	\$ 286,741	\$ 297,542
 <u>LIABILITIES AND NET ASSETS</u> 		
LIABILITIES		
Accounts payable	\$ 5,247	\$ 5,758
Total liabilities	5,247	5,758
 NET ASSETS		
Without donor restrictions	216,050	235,657
With donor restrictions	65,444	56,127
Total net assets	281,494	291,784
Total liabilities and net assets	\$ 286,741	\$ 297,542

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, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 283,135	\$ 68,051	\$ 351,186	\$ 339,993	\$ 37,100	\$ 377,093
Program income	18,047	-	18,047	17,521	-	17,521
In-kind donations	61,860	-	61,860	187,293	-	187,293
Other income	55,232	-	55,232	30,195	-	30,195
Interest and dividends	272	23	295	405	23	428
Total support and revenue	418,546	68,074	486,620	575,407	37,123	612,530
NET ASSETS RELEASED FROM RESTRICTIONS	58,757	(58,757)	-	106,409	(106,409)	-
EXPENSES						
Program services	366,267	-	366,267	532,879	-	532,879
Management and general	59,111	-	59,111	79,644	-	79,644
Fundraising	71,532	-	71,532	97,233	-	97,233
Total expenses	496,910	-	496,910	709,756	-	709,756
CHANGE IN NET ASSETS	(19,607)	9,317	(10,290)	(27,940)	(69,286)	(97,226)
NET ASSETS, beginning of year	235,657	56,127	291,784	263,597	125,413	389,010
NET ASSETS, end of year	\$ 216,050	\$ 65,444	\$ 281,494	\$ 235,657	\$ 56,127	\$ 291,784

See Independent Accountant's Review Report
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GIRL TALK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 187,240	\$ 36,594	\$ 41,048	\$ 77,642	\$ 264,882
Payroll taxes	15,091	2,950	3,309	6,259	21,350
Employee benefits	11,977	2,341	2,626	4,967	16,944
Total personnel expenses	214,308	41,885	46,983	88,868	303,176
In-kind donations	45,004	-	16,856	16,856	61,860
Contract services	32,224	-	-	-	32,224
Occupancy	23,997	6,000	-	6,000	29,997
Technology	23,527	-	-	-	23,527
Direct program costs	10,996	-	-	-	10,996
Professional fees	-	9,000	-	9,000	9,000
Fundraising	-	-	7,693	7,693	7,693
Scholarships	6,000	-	-	-	6,000
Other	3,936	-	-	-	3,936
Travel	2,158	781	-	781	2,939
Office supplies	2,261	187	-	187	2,448
Dues and subscriptions	1,598	400	-	400	1,998
Depreciation	-	793	-	793	793
Supplies	258	65	-	65	323
	\$ 366,267	\$ 59,111	\$ 71,532	\$ 130,643	\$ 496,910

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 expenses	210,395	41,303	47,220	88,523	298,918
In-kind donations	162,433	-	24,860	24,860	187,293
Contract services	-	14,944	21,408	36,352	36,352
Occupancy	36,643	9,160	-	9,160	45,803
Technology	22,627	-	-	-	22,627
Direct program costs	79,987	-	-	-	79,987
Professional fees	2,125	10,000	-	10,000	12,125
Fundraising	-	-	3,745	3,745	3,745
Scholarships	6,000	-	-	-	6,000
Other	4,468	-	-	-	4,468
Travel	4,083	1,671	-	1,671	5,754
Office supplies	3,064	2,043	-	2,043	5,107
Dues and subscriptions	726	181	-	181	907
Depreciation	-	260	-	260	260
Supplies	328	82	-	82	410
	\$ 532,879	\$ 79,644	\$ 97,233	\$ 176,877	\$ 709,756

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

GIRL TALK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (10,290)	\$ (97,226)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Depreciation	793	260
Changes in:		
Receivables	(11,706)	6,504
Prepaid expenses	4,373	(1,688)
Accounts payable	(511)	3,274
Net cash provided by (used in) operating activities	<u>(17,341)</u>	<u>(88,876)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(6,028)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(6,028)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(23,369)	(88,876)
CASH		
Beginning of year	<u>292,295</u>	<u>381,171</u>
CASH		
End of year	<u>\$ 268,926</u>	<u>\$ 292,295</u>

See Independent Accountant's Review Report
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GIRL TALK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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. 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.

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.

GIRL TALK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

D. 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.

E. 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.

F. Receivables include a \$10,000 unrestricted pledge from a single donor and \$1,952 of donations collected by a donor-advised fund that have been designated for the Organization but not remitted as of year-end. The \$10,000 was received in January 2020 and all other amounts are expected to be collected during the year ended December 31, 2020.

G. 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.

H. 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.

I. 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, 2019 and 2018, the Organization recorded \$61,860 and \$187,293 for such non-cash contributions, respectively. These contributions are recorded as revenue and expenses in the Statements of Activities and Net Assets.

J. 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

GIRL TALK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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.

K. 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 years ended December 31, 2019 and 2018.

L. Subsequent events have been evaluated by management through September 21, 2020, 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>2019</u>	<u>2018</u>
Furniture, fixtures and equipment	\$ 9,510	\$ 7,549
Less accumulated depreciation	<u>(3,647)</u>	<u>(6,921)</u>
Property and equipment, net	<u>\$ 5,863</u>	<u>\$ 628</u>

3. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Digital experience	\$ 24,819	\$ 30,366
Scholarships	13,806	14,783
Camp	1,819	10,100
Curriculum project	-	878
Programs	<u>25,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 65,444</u>	<u>\$ 56,127</u>

GIRL TALK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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:

	2019	2018
Digital experience	\$ 30,547	\$ 23,509
Scholarships	1,000	1,000
Camp	26,332	7,367
Curriculum project	878	62,799
Branding	-	11,734
Total net assets released from restrictions	\$ 58,757	\$ 106,409

4. LEASES

The Organization entered into a new lease agreement for new office space effective April 1, 2019 with a term of twenty-four months. The initial monthly rent payment equals \$2,243 with a three percent increase after 12 months. The Organization previously had an arrangement to lease office space for \$3,400 per month, which expired November 30, 2018. Staff worked remotely from home the remainder of the year and for the first three months of the year ended December 31, 2019. Total lease expense for the years ended December 31, 2019 and 2018 was \$24,668 and \$37,400, respectively.

Future minimum payments under non-cancelable lease agreements are as follows:

Year Ending	Amount
December 31, 2020	\$ 27,515
December 31, 2021	6,929
Total	\$ 34,444

5. CONCENTRATIONS

During the years ended December 31, 2019 and 2018, approximately 32 percent and 41 percent of the Organization's total support and revenue was derived from two and three donors, respectively.

GIRL TALK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

6. LIQUIDITY

The Organization has \$215,434 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$203,482 and accounts receivable of \$11,952. 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 EVENTS

Commencing in December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began spreading throughout the world, including the first outbreak in the U.S. in February 2020. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic and recommended containment and mitigation measures worldwide. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. COVID-19 has disrupted and continues to significantly disrupt local, regional and global economies and businesses. Because of the operating restrictions, limitations on group gatherings, forced closures, and other consequences of the outbreak, it is likely that the Organization will experience a decline in contributions and program revenues. The future effects of these issues are unknown.

In May 2020, the Organization received loan proceeds in the amount of \$50,100 under the Paycheck Protection Program ("PPP") created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The Organization is eligible for loan forgiveness up to 100% of the loan and accrued interest, upon meeting certain requirements.