

**GIRLS INCORPORATED OF  
GREATER ATLANTA**

**FINANCIAL REPORT**

**SEPTEMBER 30, 2017**

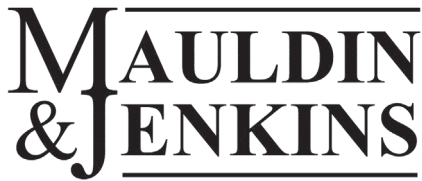
# GIRLS INCORPORATED OF GREATER ATLANTA

## FINANCIAL REPORT SEPTEMBER 30, 2017

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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of  
Girls Incorporated of Greater Atlanta  
Marietta, Georgia

We have audited the accompanying financial statements of **Girls Incorporated of Greater Atlanta** (a nonprofit organization), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities, cash flows, and functional expenses for the years 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 Girls Incorporated of Greater Atlanta as of September 30, 2017 and 2016, 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.

A handwritten signature in cursive script that reads "Mauldin &amp; Jenkins, LLC".

Atlanta, Georgia  
February 5, 2018

# GIRLS INCORPORATED OF GREATER ATLANTA

## STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2017 AND 2016

ASSETS	2017	2016
<b>Current assets:</b>		
Cash	\$ 99,388	\$ 36,120
Deposits	90	90
Promises to give	167,679	195,571
<b>Total current assets</b>	<b>267,157</b>	231,781
Property and equipment, net	641,752	533,504
	<b>\$ 908,909</b>	<b>\$ 765,285</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 11,501	\$ 27,057
Scholarships payable	24,560	21,450
Deferred revenue	17,000	-
Line of credit	37,500	50,000
Note payable, current portion	29,919	28,180
<b>Total current liabilities</b>	<b>120,480</b>	126,687
Note payable, net of current portion	37,693	67,799
<b>Net assets:</b>		
Unrestricted	592,270	392,433
Temporarily restricted	158,466	178,366
<b>Total net assets</b>	<b>750,736</b>	570,799
<b>Total liabilities and net assets</b>	<b>\$ 908,909</b>	<b>\$ 765,285</b>

**See Notes to Financial Statements.**

# GIRLS INCORPORATED OF GREATER ATLANTA

## STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND PUBLIC SUPPORT</b>						
Public support						
Grants	\$ 229,097	\$ 233,264	\$ 462,361	\$ 68,577	\$ 303,121	\$ 371,698
Contributions	11,557	360,785	372,342	122,258	188,300	310,558
Donated in-kind contributions	56,455	-	56,455	72,250	-	72,250
Net assets released from restrictions	613,949	(613,949)	-	439,977	(439,977)	-
Total public support	911,058	(19,900)	891,158	703,062	51,444	754,506
Special events						
Income	196,424	-	196,424	187,256	-	187,256
Direct expenses	(48,994)	-	(48,994)	(39,320)	-	(39,320)
Total special events, net	147,430	-	147,430	147,936	-	147,936
Revenues	86,748	-	86,748	84,317	-	84,317
Program fees	35	-	35	443	-	443
Other	86,783	-	86,783	84,760	-	84,760
Total revenues	1,145,271	(19,900)	1,125,371	935,758	51,444	987,202
Total revenues and public support						
<b>EXPENSES</b>						
Management and general	73,954	-	73,954	60,434	-	60,434
Fundraising	82,389	-	82,389	113,405	-	113,405
Program services	789,091	-	789,091	829,475	-	829,475
Total expenses	945,434	-	945,434	1,003,314	-	1,003,314
<b>CHANGE IN NET ASSETS</b>	199,837	(19,900)	179,937	(67,556)	51,444	(16,112)
<b>NET ASSETS, BEGINNING OF YEAR</b>	392,433	178,366	570,799	459,989	126,922	586,911
<b>NET ASSETS, END OF YEAR</b>	\$ 592,270	\$ 158,466	\$ 750,736	\$ 392,433	\$ 178,366	\$ 570,799

See Notes to Financial Statements.

# GIRLS INCORPORATED OF GREATER ATLANTA

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 179,937	\$ (16,112)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	73,129	64,200
(Increase) decrease in promises to give	27,892	(61,552)
Increase (decrease) in accounts payable and accrued expenses	(15,556)	14,122
Increase in scholarships payable	3,110	3,450
Increase in deferred revenue	17,000	-
Net cash provided by operating activities	285,512	4,108
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(181,377)	(36,223)
Net cash (used in) investing activities	(181,377)	(36,223)
<b>FINANCING ACTIVITIES</b>		
Proceeds from line of credit	-	30,000
Principal payments on line of credit	(12,500)	(5,000)
Principal payments on note payable	(28,367)	(29,081)
Net cash (used in) provided by financing activities	(40,867)	(4,081)
Increase (decrease) in cash	63,268	(36,196)
Cash, beginning of year	36,120	72,316
Cash, end of year	\$ 99,388	\$ 36,120
<b>SUPPLEMENTARY INFORMATION</b>		
Cash paid for interest	\$ 7,022	\$ 7,072

**See Notes to Financial Statements.**

# GIRLS INCORPORATED OF GREATER ATLANTA

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Management and General</u>	<u>Fundraising</u>	<u>Program Services</u>	<u>Total</u>
Salaries	\$ 35,353	\$ 36,286	\$ 351,664	\$ 423,303
Fringe benefits	5,763	6,319	65,149	77,231
Payroll taxes	2,403	2,849	29,491	34,743
Professional fees	2,594	1,690	11,116	15,400
Insurance	737	767	19,329	20,833
Program supplies and events	134	141	30,039	30,314
Scholarships	-	-	4,500	4,500
Meetings and conferences	279	472	2,741	3,492
Telephone	561	513	11,300	12,374
Postage and parcel	110	79	391	580
Utilities	773	389	19,444	20,606
Building and grounds	1,582	797	39,791	42,170
Printing	52	93	634	779
Travel and vehicle maintenance	344	602	17,546	18,492
Contractor expenses	-	-	52,778	52,778
Dues and subscriptions	15	399	1,894	2,308
National dues	-	-	8,895	8,895
Small equipment	430	187	9,475	10,092
Bank charges	844	1,876	5,266	7,986
Interest	742	1,649	4,631	7,022
Technology	994	1,709	12,602	15,305
Marketing	200	806	3,018	4,024
In-kind contributions	9,033	13,549	33,873	56,455
Food and beverage	42	154	1,624	1,820
Miscellaneous	-	94	709	803
Depreciation	10,969	10,969	51,191	73,129
	<u>\$ 73,954</u>	<u>\$ 82,389</u>	<u>\$ 789,091</u>	<u>\$ 945,434</u>

**See Notes to Financial Statements.**

# GIRLS INCORPORATED OF GREATER ATLANTA

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Management and General</u>	<u>Fundraising</u>	<u>Program Services</u>	<u>Total</u>
Salaries	\$ 29,331	\$ 49,652	\$ 351,375	\$ 430,358
Fringe benefits	5,069	10,027	71,994	87,090
Payroll taxes	3,000	4,820	28,305	36,125
Professional fees	2,434	1,257	11,709	15,400
Insurance	1,145	1,000	16,901	19,046
Program supplies and events	724	882	52,447	54,053
Scholarships	-	-	4,500	4,500
Meetings and conferences	281	2,286	3,966	6,533
Telephone	587	1,089	10,255	11,931
Postage and parcel	57	189	293	539
Utilities	959	1,007	21,420	23,386
Building and grounds	1,056	1,107	23,569	25,732
Printing	376	890	1,440	2,706
Travel and vehicle maintenance	629	863	22,147	23,639
Contractor expenses	-	-	55,660	55,660
Dues and subscriptions	148	667	765	1,580
National dues	-	-	8,889	8,889
Small equipment	260	373	9,670	10,303
Bank charges	1,674	1,362	8,733	11,769
Interest	1,006	818	5,248	7,072
Technology	620	1,240	21,705	23,565
Marketing	23	1,337	3,149	4,509
In-kind contributions	2,877	23,830	45,543	72,250
Food and beverage	104	510	1,365	1,979
Miscellaneous	49	174	277	500
Depreciation	8,025	8,025	48,150	64,200
	<u>\$ 60,434</u>	<u>\$ 113,405</u>	<u>\$ 829,475</u>	<u>\$ 1,003,314</u>

See Notes to Financial Statements.



# GIRLS INCORPORATED OF GREATER ATLANTA

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

#### **Nature of business:**

Girls Incorporated of Greater Atlanta (the "Corporation") is a nonprofit organization chartered and incorporated under the laws of the state of Georgia and is an affiliate of the National Association of Girls Incorporated. The Corporation is organized to help develop good citizenship, improve moral, mental, social and physical status, and to provide educational and recreational programs for girls in the metropolitan Atlanta area. The Corporation provides opportunities and assistance to girls of all backgrounds to work and develop together in a climate of freedom and harmony.

#### **Significant accounting policies:**

A summary of the Corporation's significant accounting policies follows:

#### **Basis of presentation of financial statements:**

The Corporation's financial statements have been prepared in accordance with standards of accounting and reporting established for nonprofit organizations. The Corporation's financial statements have been prepared on the accrual basis whereby revenues are recognized when earned and expenses are recorded when incurred.

The Corporation classifies net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Corporation and changes therein are classified as unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets include amounts that are not subject to donor-imposed stipulations used to account for resources available to carry out the purposes of the Corporation in accordance with the limitations of its bylaws. The principal source of unrestricted funds is certain grants and contributions.

Temporarily restricted net assets are those resources currently available for use but expendable only for purposes specified by the donor or grantor and may or will be met by the actions of the Corporation and/or the passage of time. Such resources originate from contributions restricted for specific purposes or a specific future time frame. When a donor or grantor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets are those resources that are subject to restriction of gift instruments requiring in perpetuity that the principal be invested and only the income be used. At September 30, 2017 and 2016, the Corporation had no permanently restricted net assets.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Significant accounting policies (Continued):

##### Management estimates:

Financial statements prepared in accordance with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements, as well as the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

##### Functional expense allocation:

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

##### Cash and cash equivalents:

For purposes of the statement of cash flows, cash and cash equivalents is defined as all highly liquid investments purchased with an initial maturity of three months or less. The Corporation maintains its cash and cash equivalents with various major financial institutions. The Corporation performs periodic evaluations of the relative credit standing of these financial institutions and limits the amount of credit exposure with any institution. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2017 and 2016, there were no cash equivalents.

##### Promises to give:

Contributions are recognized when the donor makes an unconditional promise to give to the Corporation. Conditional promises to give are recognized when the conditions are substantially met. Donor-restricted contributions are reported as an increase in temporarily restricted net assets depending upon the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The allowance for doubtful promises is based on specifically identified amounts that the Corporation believes to be uncollectible. At September 30, 2017 and 2016, the Corporation believes that all pledges are collectible.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Significant accounting policies (Continued):

##### Property and equipment:

Property and equipment are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair market value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Expenditures for renewals and improvements that significantly add to productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to functional expenses. When depreciable properties are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in the Corporation's statement of activities during the applicable period.

Depreciation of property and equipment is computed principally by the straight-line method of depreciation over the assets' estimated useful lives.

	Years
Buildings and improvements	15-30
Furniture and equipment	5-15
Vehicles	5
Software	3-5

##### Donated in-kind contributions:

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Corporation received \$56,455 and \$72,250 of in-kind contributions of goods and services for the years ended September 30, 2017 and 2016, respectively. Members of the Board of Directors and certain officers may volunteer services to the Corporation without compensation. The value of these donated services has not been included in the accompanying financial statements, as no measurable basis for determining the value of these services has been established by the Corporation.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Significant accounting policies (Continued):

##### Income taxes:

The Corporation is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Corporation is not required to pay federal taxes on income, and contributions to the Corporation qualify for the charitable contributions deduction to the extent provided by Section 170 of the Internal Revenue Code.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Corporation to report information regarding its exposure to various tax positions taken by the Corporation. Management believes that the Corporation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management is not aware of any circumstances or transactions that would jeopardize its tax exempt status.

All tax exempt entities are subject to review and audit by federal, state and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the tax-exempt entity under the Internal Revenue Code and applicable state statutes. There currently are no audits of the Corporation's returns in progress.

### NOTE 2. PROPERTY AND EQUIPMENT

Major classes of property and equipment as of September 30, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Buildings and improvements	\$ 1,396,807	\$ 1,220,013
Furniture and equipment	112,341	107,758
Vehicles	174,203	174,203
Software	27,409	27,409
Land	26,000	26,000
	<u>1,736,760</u>	<u>1,555,383</u>
Less accumulated depreciation and amortization	1,095,008	1,021,879
Property and equipment, net	<u>\$ 641,752</u>	<u>\$ 533,504</u>

Depreciation expense for the years ended September 30, 2017 and 2016 was \$73,129 and \$64,200, respectively.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. BENEFIT PLAN

The Corporation has a defined contribution pension plan which is administered by TriNet and covers substantially all employees. Discretionary contributions and costs can be made up to 5% of each covered employee's salary. No contributions were made to the plan during the years ended September 30, 2017 or 2016.

### NOTE 4. NOTE PAYABLE

In December 2014 the Corporation amended its note payable agreement. The term loan is payable in monthly principal and interest installments of \$2,764 and matures on December 19, 2019 with interest at 6.00%. Real property in Marietta, GA is pledged as collateral to this loan.

Scheduled maturities required on long-term debt for future years are as follows:

During the year ending September 30,

2018	\$	29,919
2019		31,764
2020		<u>5,929</u>
	\$	<u><u>67,612</u></u>

Total interest expensed during the years ended September 30, 2017 and 2016 was \$7,022 and \$7,072, respectively.

### NOTE 5. LINE OF CREDIT

In May 2015, the Corporation obtained a line of credit of \$100,000 with a financial institution for the purpose of working capital. The line matures in June 2018 and bears interest at the greater of 4.50% or the financial institution's prime rate plus 1.25% (5.50% at September 30, 2017). Real property in Marietta, GA is pledged as collateral to this line of credit.

The balance of the line of credit at September 30, 2017 and 2016 was \$37,500 and \$50,000, respectively.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6. LEASE COMMITMENTS

The Corporation leases certain office equipment under a noncancelable agreement. The total minimum rental commitment for operating leases at September 30, 2017 is as follows:

2018	\$	6,621
2019		6,621
2020		6,621
2021		552
	\$	<u>20,415</u>

Rent expense under operating leases was \$6,430 and \$6,878 for the years ended September 30, 2017 and 2016, respectively.

### NOTE 7. COMMITMENTS

Grants often require fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantor. Although the return of funds is a possibility, the Corporation deems the contingency unlikely as the Corporation has implicitly agreed to comply with the provisions of each grant received.

### NOTE 8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at September 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
After school, summer, & outreach programs	<u>\$ 158,466</u>	<u>\$ 178,366</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. TEMPORARILY RESTRICTED NET ASSETS (Continued)

Net assets were released from donor restrictions during the years ended September 30, 2017 and 2016 by incurring expenses satisfying the restricted purposes specified by donors as follows:

	<u>2017</u>	<u>2016</u>
After school, summer, & outreach programs	\$ 419,164	\$ 405,411
STEM	9,000	2,500
Scholarships	1,500	500
Capital projects	184,285	31,566
	<u>\$ 613,949</u>	<u>\$ 439,977</u>

Temporarily restricted net assets as of September 30, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Cash	\$ 16,999	\$ 4,148
Promises to give	141,467	174,218
	<u>\$ 158,466</u>	<u>\$ 178,366</u>

### NOTE 9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 5, 2018, the date on which the financial statements were available to be issued.