

**GIRLS INC. OF GREATER PHILADELPHIA
AND SOUTHERN NEW JERSEY**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9

INDEPENDENT AUDITORS' REPORT

Board of Directors
Girls Inc. of Greater Philadelphia and Southern New Jersey
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Girls Inc. of Greater Philadelphia and Southern New Jersey (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows 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.

Auditors' 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 audits 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 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.

Board of Directors
Girls Inc. of Greater Philadelphia and Southern New Jersey

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of Girls Inc. of Greater Philadelphia and Southern New Jersey as of June 30, 2018 and 2017, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
November 19, 2018

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

ASSETS	2018	2017
CURRENT ASSETS		
Cash	\$ 296,839	\$ 346,742
Accounts Receivable, Contracts	15,541	21,735
Contribution and Grants Receivable	110,628	211,157
Prepaid Expenses	9,426	7,552
Total Current Assets	432,434	587,186
EQUIPMENT AND SOFTWARE, NET	9,114	6,496
INVESTMENTS	250,066	-
OTHER ASSETS		
Deposits	1,945	1,945
Total Assets	\$ 693,559	\$ 595,627
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Notes Payable - Current Maturities	\$ -	\$ 24,444
Accounts Payable and Accrued Expenses	6,244	3,559
Deferred Income	8,228	6,915
Total Current Liabilities	14,472	34,918
LONG-TERM LIABILITIES		
Notes Payable, Net of Current Maturities	-	28,743
Total Long-Term Liabilities	-	28,743
Total Liabilities	14,472	63,661
NET ASSETS		
Unrestricted	491,968	176,798
Temporarily Restricted	186,119	354,168
Permanently Restricted	1,000	1,000
Total Net Assets	679,087	531,966
Total Liabilities and Net Assets	\$ 693,559	\$ 595,627

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT				
Government Grants and Contracts	\$ 59,650	\$ -	\$ -	\$ 59,650
Other Grants and Contracts	78,285	122,800	-	201,085
Fee-for-Service Contracts	22,599	-	-	22,599
Corporations	139,093	-	-	139,093
Foundations	13,006	-	-	13,006
Individuals	75,180	-	-	75,180
United Way	15,000	119,455	-	134,455
Donated Materials and Services	78,508	-	-	78,508
Special Events (Net of Costs of Direct Benefit to Donors Amounting to \$27,323)	88,959	-	-	88,959
Other Revenue	5,622	-	-	5,622
Total Revenue, Gains, and Other Support	<u>575,902</u>	<u>242,255</u>	<u>-</u>	<u>818,157</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
Release of Restrictions	<u>410,304</u>	<u>(410,304)</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains, and Other Support	986,206	(168,049)	-	818,157
EXPENSES				
Program Services	488,760	-	-	488,760
Management and General	74,036	-	-	74,036
Development and Fundraising	108,240	-	-	108,240
Total Expenses	<u>671,036</u>	<u>-</u>	<u>-</u>	<u>671,036</u>
CHANGE IN NET ASSETS	315,170	(168,049)	-	147,121
Net Assets - Beginning of Year	<u>176,798</u>	<u>354,168</u>	<u>1,000</u>	<u>531,966</u>
NET ASSETS - END OF YEAR	<u>\$ 491,968</u>	<u>\$ 186,119</u>	<u>\$ 1,000</u>	<u>\$ 679,087</u>

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT				
Government Grants and Contracts	\$ 50,350	\$ -	\$ -	\$ 50,350
Other Grants and Contracts	134,908	316,000	-	450,908
Fee for Service Contracts	26,481	-	-	26,481
Corporations	46,412	-	-	46,412
Foundations	5,777	-	-	5,777
Individuals	75,819	-	-	75,819
United Way	11,250	75,000	-	86,250
Donated Materials and Services	81,137	-	-	81,137
Special Events (Net of Costs of Direct Benefit to Donors Amounting to \$27,340)	83,848	-	-	83,848
Other Revenue	8,692	-	-	8,692
Disposal of Assets	<u>(27,960)</u>	<u>-</u>	<u>-</u>	<u>(27,960)</u>
Total Revenue, Gains, and Other Support	496,714	391,000	-	887,714
NET ASSETS RELEASED FROM RESTRICTIONS				
Release of Restrictions	<u>74,241</u>	<u>(74,241)</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains, and Other Support	570,955	316,759	-	887,714
EXPENSES				
Program Services	356,249	-	-	356,249
Management and General	52,023	-	-	52,023
Development and Fundraising	<u>53,363</u>	<u>-</u>	<u>-</u>	<u>53,363</u>
Total Expenses	<u>461,635</u>	<u>-</u>	<u>-</u>	<u>461,635</u>
CHANGE IN NET ASSETS	109,320	316,759	-	426,079
Net Assets - Beginning of Year	<u>67,478</u>	<u>37,409</u>	<u>1,000</u>	<u>105,887</u>
NET ASSETS - END OF YEAR	<u>\$ 176,798</u>	<u>\$ 354,168</u>	<u>\$ 1,000</u>	<u>\$ 531,966</u>

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	Program	Management and General	Development and Fundraising	Total
PROFESSIONAL SALARIES	\$ 225,863	\$ 40,912	\$ 83,394	\$ 350,169
PAYROLL TAXES	22,504	3,967	8,196	34,667
FRINGE BENEFITS	23,852	7,117	188	31,157
Total Salaries and Related Expenses	272,219	51,996	91,778	415,993
OTHER EXPENSES				
Bank and Finance Fees	586	263	7,093	7,942
Depreciation	1,470	85	135	1,690
Dues	55	5,655	-	5,710
Equipment Rental and Repair	628	395	58	1,081
Insurance	9,901	943	910	11,754
Interest	-	511	-	511
Investment Fees	-	705	-	705
Miscellaneous	-	-	2,856	2,856
Printing and Publications	164	3	4,123	4,290
Occupancy	32,637	1,669	2,670	36,976
Office Operations	843	666	29	1,538
Postage	41	58	319	418
Professional Fees	28,029	6,311	7,224	41,564
Program Facilitators (In-Kind)	71,710	-	-	71,710
Program Supplies	48,282	362	8	48,652
Event Rental	-	-	17,980	17,980
Staff Conference and Training	17,388	2,167	-	19,555
Staff Travel	1,717	1,974	96	3,787
Telephone and Internet	3,090	273	284	3,647
Total Other Expenses	216,541	22,040	43,785	282,366
COST OF SPECIAL EVENTS	-	-	(27,323)	(27,323)
Total Expenses Before Allocation	488,760	74,036	108,240	671,036
ALLOCATION OF MANAGEMENT AND GENERAL EXPENSES	60,613	(74,036)	13,423	-
Total Expenses	\$ 549,373	\$ -	\$ 121,663	\$ 671,036

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Program	Management and General	Development and Fundraising	Total
PROFESSIONAL SALARIES	\$ 123,718	\$ 24,665	\$ 36,719	\$ 185,102
PAYROLL TAXES	11,246	2,081	3,252	16,579
FRINGE BENEFITS	14,549	4,016	120	18,685
Total Salaries and Related Expenses	149,513	30,762	40,091	220,366
OTHER EXPENSES				
Bad Debt Expense	-	50	5,000	5,050
Bank and Finance Fees	5,270	315	1,195	6,780
Depreciation	1,470	85	135	1,690
Dues	5,372	387	476	6,235
Equipment Rental and Repair	1,276	-	55	1,331
Insurance	9,724	-	665	10,389
Interest	-	2,067	-	2,067
Miscellaneous	205	12	2,449	2,666
Occupancy	28,477	178	2,179	30,834
Office Operations	691	135	2,541	3,367
Postage	39	2	3	44
Professional Fees	24,633	15,719	5,745	46,097
Program Facilitators (In-Kind)	69,220	-	-	69,220
Program Stipends	23,104	912	-	24,016
Program Supplies	24,349	-	-	24,349
Event Rental	-	-	19,840	19,840
Staff Conference and Training	10,520	-	113	10,633
Staff Travel	225	1,275	17	1,517
Telephone and Internet	2,161	124	199	2,484
Total Other Expenses	206,736	21,261	40,612	268,609
COST OF SPECIAL EVENTS	-	-	(27,340)	(27,340)
Total Expenses Before Allocation	356,249	52,023	53,363	461,635
ALLOCATION OF MANAGEMENT AND GENERAL EXPENSES	45,246	(52,023)	6,777	-
Total Expenses	\$ 401,495	\$ -	\$ 60,140	\$ 461,635

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 147,121	\$ 426,079
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,690	1,690
Disposal of Software	-	27,960
Unrealized and Realized Loss	1,961	-
Donated Equipment and Software	(4,308)	-
(Increase) Decrease in:		
Accounts Receivable, Contracts	6,194	(12,550)
Contribution and Grants Receivable	100,529	(173,328)
Prepaid Expenses and Deposits	(1,874)	2,863
Decrease in:		
Accounts Payable and Accrued Expenses	2,685	3,340
Deferred Income	1,313	5,315
Net Cash Provided by Operating Activities	255,311	281,369
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(277,817)	-
Sale of Investments	25,790	-
Net Cash Provided (Used) by Investing Activities	(252,027)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on Note Payable	(53,187)	(73,244)
Net Cash Used by Financing Activities	(53,187)	(73,244)
NET INCREASE IN CASH (DECREASE)	(49,903)	208,125
Cash - Beginning of Year	346,742	138,617
CASH - END OF YEAR	\$ 296,839	\$ 346,742
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 511	\$ 2,067

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

Girls Inc. of Greater Philadelphia and Southern New Jersey (Girls Inc. or the Organization) is a 501(c)(3) nonprofit organization founded in 1961. Girls Inc. focuses on the development of the whole girl. She learns to value herself, take risks, and discover and develop her inherent strengths. The combination of long-lasting mentoring relationships, a pro-girl environment, and research-based programming equips girls to navigate gender, economic, and social barriers, and grow up healthy, educated, and independent.

The Organization offers programs for girls ages 6 – 18. These programs focus on leadership and community action, science, technology, math, reading literacy, financial literacy, healthy decision making, and career exploration. Girls Inc. serves more than 2,400 girls in the greater Philadelphia region each year.

Girls Inc.'s programs include:

- **Girls Inc. Operation SMART** builds girls' skills and interest in science, technology, engineering, and mathematics.
- **Girls Inc. Economic Literacy** introduces girls to basic economic and financial concepts, including money management, investments, and global economics.
- **Girls Inc. Leadership and Community Action** builds leadership skills and creates lasting social change by partnering girls and women in community action projects chosen by girls.
- **Girls Inc. Sporting Chance** builds movement and athletic skills, cooperative and competitive spirit, health awareness, and interest in all sports as girls explore the benefits of an active lifestyle.
- **Girls Inc. Project BOLD** strengthens girls' abilities to lead safer lives by developing strategies for self-defense, seeking out caring adults to help with personal violence, and advocating on violence issues.
- **Girls Inc. Healthy Sexuality** helps girls acquire the knowledge and skills for taking charge of and making informed decisions about their sexual health. Exploring values, practicing responses in different situations, and thinking about their futures helps girls identify ways and reasons to avoid early pregnancy and prevent sexually transmitted infections including HIV.
- **Girls Inc. Friendly PEERsuasion** builds girls' skills for resisting pressure to use harmful substances such as alcohol, tobacco, household chemicals, and other drugs.
- **Girls Inc. Media Literacy** encourages girls to think critically about media messages and fosters their awareness of the power of the media and its effects on girls.
- **Girls Inc. Early Literacy** initiative is designed to help increase literacy rates, testing scores, and foster a lifelong love of reading for participants in grades K-3.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization subscribes to a policy of equal opportunity. Employment at the organization and admission to the program is open to all qualified persons without regard to race, color, religion, national origin, citizenship, gender, sexual orientation, pregnancy, gender identity, age, disability, genetic information, income, political belief, marital or veteran status, or any other category protected by applicable federal, state, or local law in the provision of or access to services, employment and activities.

Basis of Presentation

Girls Inc. reports information regarding its financial positions and activities according to these classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Permanently Restricted Net Assets – Permanently restricted net assets are subject to donor-imposed stipulations that are required to be maintained permanently by the Organization.

Temporarily Restricted Net Assets – Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets totaled \$186,119 and \$354,168 as of June 30, 2018 and 2017.

Unrestricted Net Assets – Unrestricted net assets are not subject to donor-imposed stipulations.

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.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending upon the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contracts, Contribution and Grants Receivable

Funding is received primarily from government contracts and corporate grants. Revenue and accounts receivable have been recognized only to the extent allowed under the agreements. Any excess funding is considered as deferred income until reconciliation occurs with the funding source.

As of June 30, 2018 and 2017 the Organization had \$2,500 and \$5,697 in outstanding pledge receivables related to the annual campaign.

The Organization provides an allowance for uncollectible accounts based on the allowance method using management's judgment based on historical experience. No collateral is provided for services rendered. Past due receivables are individually analyzed for collectability. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At June 30, 2018 and 2017, an allowance for uncollectible accounts was not warranted.

Equipment and Software

The Organization capitalizes all expenditures for equipment and software in excess of \$1,000. Equipment and Software are recorded at cost or fair market value at the date of contribution (if donated). Depreciation is provided using straight-line method over the estimated useful lives of the assets.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, it is not subject to state or federal income taxes.

The Organization follows the provisions of the income tax standard for uncertain tax positions. This standard prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard has had no impact on the Organization's financial statements.

Fair Value of Financial Instruments

The Organization has adopted the accounting guidance of Financial Accounting Standards Board (FASB) Accounting Standards Codification No. 820, *Fair Value Measurements and Disclosures*, (ASC 820) as of June 30, 2018. This standard applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. The standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

Financial assets recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Fair Value of Financial Instruments (Continued)

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Donated Goods and Services

The Organization recognizes donated services that create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization also recognizes donated materials that would need to be purchased if not provided by donation. At June 30, 2018 and 2017, donated services amounted to \$71,710 and \$81,137. As of June 30, 2018, donated goods amounted to \$6,798 of which \$4,308 was capitalized. There was no donated goods as of June 30, 2017.

Functional Expenses

Directly identifiable expenses are charged to the individual programs and supporting services. Indirect functional expenses are allocated to programs and supporting services using an allocation methodology which calculates the percentage of building space used for program, management and fundraising activities. Salaries are allocated based on each employee's time spent in program and supporting services. Management and general expenses include those expenses that are not related to a specific program and provide for the overall support and direction of the organization.

Reclassifications

Certain prior year financial statement amounts have been reclassified to conform to the current year presentation.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 19, 2018, the date the financial statements were available to be issued.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 2 EQUIPMENT AND SOFTWARE

Equipment and software is summarized as follows as of June 30:

	<u>2018</u>	<u>2017</u>
Equipment	\$ 10,506	\$ 6,198
Software	2,250	2,250
Total	<u>12,756</u>	<u>8,448</u>
Less: Accumulated Depreciation	3,642	1,952
Total Equipment and Software	<u>\$ 9,114</u>	<u>\$ 6,496</u>

NOTE 3 INVESTMENTS

The following table summarizes, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash & Cash Equivalents	\$ 3,644	\$ -	\$ -	\$ 3,644
Exchange Traded Funds	246,422	-	-	246,422
Total	<u>\$ 250,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,066</u>

The Organization did not have investment balances as of June 30, 2017.

The following table summarizes the investment return in the statements of activities for the years ended June 30:

	<u>2018</u>	<u>2017</u>
Investment Income	\$ 2,820	\$ 30
Unrealized and Realized Loss	(1,961)	-
Total	<u>\$ 4,781</u>	<u>\$ 30</u>

NOTE 4 NOTES PAYABLE

The Organization had a three-year term loan bearing a fixed interest rate of 7.57% requiring a balloon payment in June 2012. The loan matured on June 1, 2012 and was restructured to extend the terms of the loan to have a maturity date of September 1, 2020. The loan was secured by all of the assets of the Organization and was fully paid as of June 30, 2018. The interest rate received on the loan was 30-day LIBOR plus 250 basis points. At June 30, 2017, the interest rate was 3.36%, respectively. At June 30 2017, the outstanding balance on the loan was \$13,187.

In 2015, the Organization entered into a four-year loan bearing a fixed interest rate of 1.7% with Girls Inc. National. Payments on the loan began in February 2016 and was fully paid as of June 30, 2018. At June 30 2017, the outstanding balance on the loan was \$40,000.

Interest expense for the year ended June 30, 2018 and 2017 amounted to \$511 and \$2,067, respectively.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 5 PERMANENTLY RESTRICTED NET ASSETS

At June 30, 2018 and 2017, permanently restricted net assets consisted of \$1,000 which is restricted for a revolving loan fund for the benefit of program participants.

NOTE 6 OPERATING LEASES

In January 2016, the Organization entered into an operating lease for office space expiring June 30, 2018. The Organization renewed this option for three additional years as of June 30, 2018. Rent expense for the year ended June 30, 2018 and 2017 was \$30,012 and \$26,045.

Future minimum rentals for office space as of June 30, 2018 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 30,912
2020	31,386
2021	<u>32,796</u>
Total	<u>\$ 95,094</u>

NOTE 7 RELATED PARTIES

Girls Incorporated

The Organization is an affiliate of Girls Incorporated (Girls Inc. National). As a part of the affiliate agreement, the organization is subject to annual dues to the national organization. Dues are assessed on a calendar year basis and are calculated based on the previous year's Form 990 results. At June 30, 2018 and 2017, the annual dues amounted to \$5,265 and \$5,870, respectively.

The Organization also receives unrestricted and temporarily restricted grants from the national organization. At June 30, 2018 and 2017, the grants contributed amounted to \$79,800 and \$241,650 respectively. At June 30, 2018 and 2017, the amount due from the national organization for these grants amounted to \$86,579 and \$147,710, respectively.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.