

Cool Girls, Inc.



dedicated to the self-empowerment of girls

The Cool Girls, Inc.

**Financial Statements
at
June 30, 2010 and 2009**



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Cool Girls, Inc.
Atlanta, Georgia

We have audited the accompanying statement of financial position of The Cool Girls, Inc. (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of The Cool Girls, Inc.'s management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Cool Girls, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

September 30, 2010

THE COOL GIRLS, INC.
Statement of Financial Position
June 30, 2010 and 2009

Assets	<u>2010</u>	<u>2009</u>
Cash and Cash Equivalents	\$ 447,609	\$ 312,773
Certificates of Deposits	-	177,207
Grants Receivable	100,000	101,200
Promises to Give	29,593	19,750
Other Assets	1,260	1,260
Property, Furniture and Equipment, net	<u>7,328</u>	<u>10,436</u>
Total Assets	<u>\$ 585,790</u>	<u>\$ 622,626</u>
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ 13,113	\$ 56,855
Net Assets:		
Unrestricted Net Assets	396,725	378,103
Temporarily Restricted Net Assets	<u>175,952</u>	<u>187,668</u>
Total Net Assets	<u>572,677</u>	<u>565,771</u>
Total Liabilities and Net Assets	<u>\$ 585,790</u>	<u>\$ 622,626</u>

See accompanying notes to the financial statements.

THE COOL GIRLS, INC.
Statement of Activities
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Changes in Unrestricted Net Assets:		
Support and Revenue:		
Contributions	\$ 699,155	\$ 539,273
Government Grants	27,498	60,000
Interest Income	<u>4,281</u>	<u>6,268</u>
Total Support and Revenue	730,934	605,541
Net Assets Released from Restrictions	<u>11,716</u>	<u>13,284</u>
Total Support, Revenue, and Reclassifications	742,650	618,825
Expenses:		
Girls' Programs	586,267	440,474
Fundraising	95,240	67,168
Administration	<u>42,521</u>	<u>38,959</u>
Total Expenses	<u>724,028</u>	<u>546,601</u>
Increase in Unrestricted Net Assets	18,622	72,224
Changes in Temporarily Restricted Net Assets:		
Contributions	-	25,000
Net Assets Released from Restrictions	<u>(11,716)</u>	<u>(13,284)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(11,716)</u>	<u>11,716</u>
Increase in Net Assets	6,906	83,940
Net Assets at Beginning of Year	<u>565,771</u>	<u>481,831</u>
Net Assets at End of Year	<u>\$ 572,677</u>	<u>\$ 565,771</u>

See accompanying notes to the financial statements.

THE COOL GIRLS, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2010

	Girls' Programs	Support		Total Expenses
		Fundraising	Administration	
Salaries and Wages	\$ 258,793	\$ 48,836	\$ 14,775	\$ 322,404
Payroll Taxes and Benefits	74,291	4,696	3,139	82,126
Professional Fees	57,795	500	14,819	73,114
Marketing and Outreach	30,092	944	4,002	35,038
Program and Services	84,273	39,040	-	123,313
Scholarships	12,000	-	-	12,000
Insurance	6,030	-	1,924	7,954
Office Expense	35,495	1,224	1,741	38,460
Rent	24,390	-	2,121	26,511
Depreciation	<u>3,108</u>	<u>-</u>	<u>-</u>	<u>3,108</u>
Total Expenses	<u>\$ 586,267</u>	<u>\$ 95,240</u>	<u>\$ 42,521</u>	<u>\$ 724,028</u>

See accompanying notes to the financial statements.

THE COOL GIRLS, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2009

	Girls' Programs	Support		Total Expenses
		Fundraising	Administration	
Salaries and Wages	\$ 189,550	\$ 55,831	\$ 11,160	\$ 256,541
Payroll Taxes and Employee Benefits	28,473	-	14,687	43,160
Professional Fees	30,155	8,885	1,786	40,826
Marketing and Outreach	44,665	1,528	-	46,193
Programs and Services	76,977	-	1,476	78,453
Scholarships	12,000	-	-	12,000
Insurance	5,511	-	2,390	7,901
Office Expense	20,612	924	5,143	26,679
Rent	25,609	-	2,317	27,926
Depreciation	6,922	-	-	6,922
Total Expenses	\$ 440,474	\$ 67,168	\$ 38,959	\$ 546,601

See accompanying notes to the financial statements.

THE COOL GIRLS, INC.
Statement of Cash Flows
For the Years Ended June 30, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 6,906	\$ 83,940
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	3,108	6,922
(Increase) Decrease in Grant Receivable	1,200	(4,638)
(Increase) Decrease in Promises to Give	(9,843)	59,257
Increase (Decrease) in Accounts Payable	(43,742)	(4,377)
Net Cash Provided by (Used in) Operating Activities	(42,371)	141,104
Cash Flows from Investing Activities:		
Purchase of Office Equipment	-	(13,285)
Proceeds from Sales of Investment	-	5,000
Change in Certificate of Deposit	177,207	(177,207)
Net Cash Provided by (Used in) Investing Activities	177,207	(185,492)
Net Increase (Decrease) in Cash	134,836	(44,388)
Cash and Cash Equivalents at Beginning of Year	312,773	357,161
Cash and Cash Equivalents at End of Year	\$ 447,609	\$ 312,773

See accompanying notes to the financial statements.

THE COOL GIRLS, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2010 and 2009

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Business

The Cool Girls, Inc. (the Organization) is a non-profit organization dedicated to the self-empowerment of girls in low income communities. The Organization provides the tools to help girls make positive choices to achieve academic success, break the cycle of teen pregnancy and poverty, and to overcome the barriers of racism and sexism. The programs instill confidence and provide exposure to a broader world of opportunities through mentoring relationships, academic support, life and health skills education, field trips, and learning service projects. The mission is achieved through the collaborative efforts of volunteers, staff, program sites, and the local community in active partnerships with girls and their parents and caregivers.

Basis of Accounting

Basis of accounting refers to the manner in which revenues and expenses are recognized in the accounts and reported in the financial statements. The financial statements are presented on the accrual method of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Expendable Restricted Resources

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the 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. All cash contributions are considered to be available for unrestricted use unless specifically restricted by donor.

THE COOL GIRLS, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2010 and 2009

Note 1 - Organization and Summary of Significant Accounting Policies - continued

Expendable Restricted Resources - continued

The Organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents

Cash and cash equivalents represent funds without legal restrictions on hand, or on deposit with financial institutions, available for use within a three months or less time period.

Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair value.

Property and Equipment

Property and equipment are stated at cost and depreciated or amortized over the estimated useful life of each asset. Depreciation and amortization are computed using the straight-line method.

Donated Services

Donated services are recognized as contributions, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

During the years ended June 30, 2010 and 2009, many individuals volunteered their time in support of the Organization's programs. These individuals' time did not meet the above criteria to be recorded as contributions in the financial statements.

THE COOL GIRLS, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2010 and 2009

Note 1 - Organization and Summary of Significant Accounting Policies - continued

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results may differ from those estimates.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Tax Status

The Organization is a not-for-profit organization exempt from income taxes under the Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes has been made. The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Fair Value of Financial Instruments

Cash and cash equivalents, certificates of deposit, grants receivable, promises to give, other assets, and accounts payable are carried at amounts which approximate their fair value, due to the short-term nature of these instruments.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the current year financial statements.

Subsequent Events

Management has evaluated subsequent events through September 30, 2010, the date on which the financial statements were available to be issued. There was no impact on the Organization's financial statements.

THE COOL GIRLS, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2010 and 2009

Note 2 - Concentration of Risks

The Organization maintains its cash balances with several national banks. At June 30, 2010, the balances up to \$250,000 were insured by the Federal Deposit Insurance Corporation. At June 30, 2010, the Organization had \$68,762 of uninsured cash balances.

Note 3 – Grants Receivable

Grants receivable at June 30, consist of the following:

	2010	2009
Government Grants	\$ 25,000	\$ 21,200
Foundation Grants	75,000	80,000
Total Grants Receivable	\$ 100,000	\$ 101,200

Note 4 - Promises to Give

Unconditional promises to give at June 30, 2010 and 2009, are \$29,593 and \$19,750, respectively, and are collectible in less than one year.

Note 5 – Fixed Assets

Net fixed assets at June 30, consist of the following:

	2010	2009
Furniture and Fixtures	\$ 7,160	7,160
Office Equipment	130,547	130,547
	137,707	137,707
Less: Accumulated Depreciation	(130,379)	(127,271)
Net Fixed Assets	\$ 7,328	\$ 10,436

THE COOL GIRLS, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2010 and 2009

Note 6 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30,:

	2010	2009
Scholarships	\$ 174,611	\$ 174,611
Chasing the Dream Program	1,341	1,341
Cool Technology Program	-	11,716
Total	\$ 175,952	\$ 187,668

Note 7 - Operating Lease

In June, 2008, the Organization entered into a lease for office space which expires on May 31, 2011. Rental expense for office space was \$26,511, for the year ended June 30, 2010. Future minimum payments under this lease for the year ended June 30, 2011, are \$25,273.

Note 8 - Simplified Employee Pension Plan

Effective November 1, 1999, the Organization adopted a Simplified Employee Pension Plan, covering all employees with at least three months of service and having attained the age of 21 years. The Organization's contributions to the Plan are determined each year. Total contributions to the Plan by the Organization for the year ended June 30, 2010 were \$8,600. The Organization did not make contributions to the Plan for the year ended June 30, 2009.