



Girls Incorporated of Tarrant County

Financial Statements

Years Ended December 31, 2016 and 2015

Girls Incorporated of Tarrant County

Financial Statements
Years Ended December 31, 2016 and 2015

Girls Incorporated of Tarrant County

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Independent Auditor's Report

The Board of Directors
Girls Incorporated of Tarrant County
Arlington, Texas

We have audited the accompanying financial statements of Girls Incorporated of Tarrant County (the "Agency") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, 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.

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 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 the Agency as of December 31, 2016 and 2015, 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.

BDO USA, LLP

Fort Worth, Texas

May 15, 2017

Financial Statements

Girls Incorporated of Tarrant County

Statements of Financial Position

<i>December 31,</i>	2016	2015
Assets		
Current assets:		
Cash	\$ 1,005,879	\$ 787,148
Investments	94,157	92,956
Grants receivable	165,336	176,952
Pledges receivable	43,297	36,429
Accounts receivable (net of allowance for doubtful accounts \$30,000 for both 2016 and 2015)	28,022	20,969
Prepaid expenses	30,596	22,306
Total current assets	1,367,287	1,136,760
Property and equipment, net	181,459	185,192
Other assets	19,636	26,620
Total assets	\$ 1,568,382	\$ 1,348,572
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 9,843	\$ 16,005
Accrued liabilities	71,459	37,845
Total current liabilities	81,302	53,850
Deferred compensation	19,636	26,620
Total liabilities	100,938	80,470
Commitments and contingencies		
Net assets:		
Unrestricted	1,040,781	656,061
Temporarily restricted	426,663	612,041
Total net assets	1,467,444	1,268,102
Total liabilities and net assets	\$ 1,568,382	\$ 1,348,572

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statements of Activities

<i>Years Ended December 31,</i>	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and other support:						
Contributions	\$ 694,705	\$ -	\$ 694,705	\$ 540,404	\$ -	\$ 540,404
Fees	910,463	-	910,463	884,402	-	884,402
Allocations from United Way	46,480	43,297	89,777	40,899	36,429	77,328
Grants	539,954	476,443	1,016,397	216,579	551,478	768,057
Investment income	6,214	2,869	9,083	4,735	2,455	7,190
Special events	119,204	-	119,204	76,889	-	76,889
Gain on disposed property	12,108	-	12,108	-	-	-
Net assets released from restrictions - satisfaction of program restrictions	707,987	(707,987)	-	518,461	(518,461)	-
Total revenues and other support	3,037,115	(185,378)	2,851,737	2,282,369	71,901	2,354,270
Expenses:						
Girls programs	1,705,863	-	1,705,863	1,296,341	-	1,296,341
School age child care	633,006	-	633,006	602,214	-	602,214
Management and general	41,951	-	41,951	64,624	-	64,624
Fundraising	271,575	-	271,575	190,266	-	190,266
Total expenses	2,652,395	-	2,652,395	2,153,445	-	2,153,445
Change in net assets	384,720	(185,378)	199,342	128,924	71,901	200,825
Net assets at beginning of year	656,061	612,041	1,268,102	527,137	540,140	1,067,277
Net assets at end of year	\$ 1,040,781	\$ 426,663	\$ 1,467,444	\$ 656,061	\$ 612,041	\$ 1,268,102

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statement of Functional Expenses

<i>Year Ended December 31,</i>	2016					
	Girls Programs	School Age Child Care	Total Program Expenses	Management and General	Fundraising	Total
Salaries and wages	\$ 666,318	\$ 413,552	\$ 1,079,870	\$ 789	\$ 137,323	\$ 1,217,982
Employee benefits	60,819	37,748	98,567	72	12,534	111,173
Payroll taxes and related expenses	52,176	32,383	84,559	62	10,753	95,374
Professional services and contract labor	23,053	10,494	33,547	5,120	4,928	43,595
Supplies	105,140	43,572	148,712	3,963	12,578	165,253
Supplies - In kind	358,808	-	358,808	185	-	358,993
Postage and shipping	918	436	1,354	265	194	1,813
Occupancy	77,486	39,472	116,958	14,184	6,197	137,339
Occupancy - In kind	182,450	-	182,450	-	-	182,450
Printing and publications	195	-	195	195	2,682	3,072
Travel and transportation	46,280	10,310	56,590	6,251	97	62,938
Conference and conventions	5,413	1,140	6,553	2,279	1,002	9,834
Subscriptions	-	2,634	2,634	-	-	2,634
Insurance	18,697	7,874	26,571	-	668	27,239
Payments to affiliated organizations	7,320	3,600	10,920	480	600	12,000
Licenses and fees	3,280	14,821	18,101	1,549	-	19,650
Depreciation	9,504	3,168	12,672	3,168	-	15,840
Miscellaneous	23	-	23	-	-	23
Miscellaneous - In kind	9,859	-	9,859	-	-	9,859
Advertising and promotion - In kind	2,706	-	2,706	-	-	2,706
Special events	8,834	-	8,834	77	78,620	87,531
Awards and grants	30,445	-	30,445	-	-	30,445
Telephones	15,670	8,322	23,992	553	570	25,115
Membership dues	2,872	330	3,202	284	1,101	4,587
Bad debt	-	-	-	1,680	-	1,680
Equipment	17,597	3,150	20,747	795	1,728	23,270
Total expenses	\$ 1,705,863	\$ 633,006	\$ 2,338,869	\$ 41,951	\$ 271,575	\$ 2,652,395

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statement of Functional Expenses

<i>Year Ended December 31,</i>	2015					
	Girls Programs	School Age Child Care	Total Program Expenses	Management and General	Fundraising	Total
Salaries and wages	\$ 462,329	\$ 368,345	\$ 830,674	\$ 24,737	\$ 114,367	\$ 969,778
Employee benefits	43,874	34,955	78,829	2,348	10,853	92,030
Payroll taxes and related expenses	35,091	27,958	63,049	1,877	8,681	73,607
Professional services and contract labor	26,879	9,356	36,235	4,428	1,533	42,196
Supplies	78,687	39,513	118,200	2,806	7,596	128,602
Supplies - In kind	379,094	-	379,094	-	-	379,094
Postage and shipping	1,042	315	1,357	135	405	1,897
Occupancy	38,046	44,682	82,728	1,431	718	84,877
Occupancy - In kind	47,267	-	47,267	-	-	47,267
Printing and publications	1,075	-	1,075	-	7,918	8,993
Travel and transportation	33,892	6,999	40,891	10,561	452	51,904
Conference and conventions	1,466	750	2,216	5,155	1,731	9,102
Subscriptions	100	1,214	1,314	-	-	1,314
Insurance	17,125	7,431	24,556	2,954	1,656	29,166
Payments to affiliated organizations	5,400	3,200	8,600	200	1,200	10,000
Licenses and fees	1,635	13,279	14,914	1,544	-	16,458
Depreciation	8,483	2,827	11,310	2,827	-	14,137
Miscellaneous	39	-	39	71	-	110
Miscellaneous - In kind	18,929	-	18,929	-	-	18,929
Advertising and promotion - In kind	23,436	-	23,436	-	-	23,436
Special events	9,510	-	9,510	710	30,453	40,673
Awards and grants	21,804	-	21,804	-	-	21,804
Telephones	13,909	7,500	21,409	558	404	22,371
Membership dues	797	353	1,150	129	632	1,911
Bad debt	-	25,000	25,000	1,000	-	26,000
Equipment	26,432	8,537	34,969	1,153	1,667	37,789
Total expenses	\$ 1,296,341	\$ 602,214	\$ 1,898,555	\$ 64,624	\$ 190,266	\$ 2,153,445

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statements of Cash Flows

<i>Years Ended December 31,</i>	2016	2015
Cash Flows from Operating Activities:		
Change in net assets	\$ 199,342	\$ 200,825
Adjustment to reconcile above to net cash provided by operating activities:		
Depreciation	15,840	14,137
Gain on disposed property	(12,108)	-
Bad debt expense	1,680	26,000
Change in assets and liabilities:		
Decrease (increase) in:		
Grants receivable	11,616	(114,192)
Pledges receivable	(6,868)	3,517
Accounts receivable	(8,733)	2,757
Prepaid expenses	(8,290)	(1,696)
Increase (decrease) in:		
Accounts payable	(6,162)	9,861
Accrued liabilities	33,614	(2,369)
Net cash provided by operating activities	219,931	138,840
Cash Flows from Investing Activities:		
Purchases of property and equipment	(17,635)	(6,374)
Insurance proceeds from disposed property	17,636	-
Purchases of investments	(1,201)	(1,215)
Proceeds from sale of investments	-	80,166
Net cash (used in) provided by provided by investing activities	(1,200)	72,577
Cash Flows from Financing Activities		
	-	-
Net increase in cash	218,731	211,417
Cash at beginning of year	787,148	575,731
Cash at end of year	\$ 1,005,879	\$ 787,148

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Organization

Girls Incorporated of Tarrant County (the "Agency") was founded in 1976 as the Arlington Girls Club. The mission of the Agency is to inspire girls to be strong, smart, and bold. The Agency's researched-based curricula are delivered by trained, mentoring professionals in a positive all-girl environment. Programs are provided in-school, after-school and through summer programs for girls at schools, community centers, libraries, churches, non-profit partners, and other locations through Tarrant County. During 2016, 8,561 girls participated in the comprehensive Girls Inc. experience. An additional 7,775 girls were reached through Girls Inc. Outreach. During 2015, 8,042 girls participated in Girls Inc. comprehensive programs and 5,424 participated in Girls Inc. outreach programs.

The Agency currently offers nationally researched curriculum, which includes after school and summer programs, transportation, substance abuse prevention and community outreach services throughout Tarrant County communities. The programs of the Agency include the following:

Girls Programs - The Agency provides prevention education and leadership programs for girls' ages 6-18 years old. Programs inspire girls to be strong, smart and bold through life-changing programs and experiences that help girls navigate gender, economic, and social barriers. Programs equip girls to achieve academically; lead healthy and physically active lives; manage money; navigate media messages; and discover an interest in science, technology, engineering, and math.

School Age Child Care - The Agency provides safe and affordable child care for children ages 5-12 years old before and after school during the school year at nine Arlington ISD schools and all-day holiday and summer child care in two Arlington locations. Fees for these programs are based upon each family's ability to pay with fees based upon a sliding fee scale and scholarships available.

Financial Statement Presentation

The Agency reports information regarding its financial position and activities according to three classes of net assets:

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

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Agency and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that will never lapse, thus, requiring the funds to be retained permanently. There were no permanently restricted net assets as of December 31, 2016 or 2015.

Girls Incorporated of Tarrant County

Statements of Financial Position

Revenue and Other Support

The Agency 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 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.

The Agency reports gifts of property 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 Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions and allocations from United Way are recognized as revenue in the period when unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Fees revenues are recorded as client services are rendered, and grant revenues are recorded on a cost reimbursement basis. Special events revenue is recorded once the special event has occurred.

Investments

Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short-term investments. Certificates of deposit with remaining maturities greater than one year are classified as long-term investments. Certificates of deposit are recorded at amortized cost or original cost plus accrued interest.

Concentrations of Credit Risk

Concentrations of credit risk consist of cash, accounts receivable, grants receivable and pledges receivable. Accounts receivable are due from participants in the Agency's program in the normal course of business. Grants receivable are due from various government agencies and schools. Pledges receivable are due from United Way. The Agency, by policy, limits its amount of cash exposure to any one financial institution.

Property and Equipment

Purchased property and equipment are carried at cost or, if donated, estimated fair value at the donation date. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. The Agency capitalizes all assets with costs greater than \$3,000 and a useful life over one year.

Girls Incorporated of Tarrant County

Statements of Financial Position

Income Taxes

The Agency is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Agency applied the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic *Accounting for Uncertainty in Income Taxes* during the year. Under this topic, an organization must recognize the tax benefit/liability associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The Agency does not believe there are any unrecognized tax benefits/liabilities that should be recorded. For the years ended December 31, 2016 and 2015 there were no interest or penalties recorded or included in the statement of activities related to taxes.

Cash and Cash Equivalents

The Agency considers cash in banks and other highly liquid investments as cash balances. Certificates of deposits with initial maturities of three months or less are considered cash equivalents.

In Kind Contributions

The Agency received donated marketing and other professional services requiring specific expertise during the years ended December 31, 2016 and 2015. These services would have been purchased if not donated and met the criteria for recording in contributions in the accompanying statements of activities.

In addition, the Agency received donations of facilities and supplies during the years ended December 31, 2016 and 2015 which met criteria for recording in the accompanying financial statements. Total donated services facilities and supplies were \$541,443 and \$426,361 for the years ended December 31, 2016 and 2015, respectively.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Impairment of Long-Lived Assets

The Agency periodically reviews the carrying value of its long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized to the extent fair value of a long-lived asset is less than the carrying amount. Fair value is determined based upon the estimated future cash inflows attributable to the asset less estimated future cash outflows. An impairment loss of \$5,552 was recognized for the year ended December 31, 2016 for a damaged roof. The impaired roof was covered by an insurance claim. No such losses were recognized during the year ended December 31, 2015.

Girls Incorporated of Tarrant County

Statements of Financial Position

Accounts Receivable

Accounts receivable are stated at unpaid balances less an allowance for doubtful accounts. The Agency provides for losses on accounts receivable using the allowance method. It is the Agency's policy to charge-off uncollectible accounts receivable when management determines the receivable, based on client history and other factors, will not be collected.

2. Pledges Receivable

Pledges receivable represents amounts due from United Way. Pledges receivable are due within one year. All amounts are considered collectible by management as of December 31, 2016 and 2015.

3. Property and Equipment

Property and equipment consists of the following at December 31:

	2016	2015
Land	\$ 125,660	\$ 125,660
Land improvements	7,615	7,615
Buildings	267,143	267,003
Office equipment	67,169	67,169
Vehicles	26,364	26,364
Furniture and equipment	19,937	19,937
Total	513,888	513,748
Less accumulated depreciation	(332,429)	(328,556)
Property and equipment, net	\$ 181,459	\$ 185,192

4. Operating Leases

The Agency leases equipment under non-cancelable operating leases that expire on December 2020 and June 2017. Rental expense for these leases consisted of \$15,397 and \$27,036 for 2016 and 2015, respectively. During 2016 and 2015, the Agency was under contracts to lease office spaces in two locations. Rental expenses under these leases totaled \$63,009 and \$24,347 for the years ended December 31, 2016 and 2015, respectively.

Future minimum lease payments under these lease commitments for the years ended December 31 are as follows:

2017	\$	106,068
2018		105,678
2019		107,392
2020		109,724
2021		65,119
	\$	493,981

Girls Incorporated of Tarrant County

Statements of Financial Position

5. Deferred Compensation

The Agency has a deferred compensation agreement with its Executive Director. At December 31, 2016 and 2015, \$19,636 and \$26,620, respectively, was accrued relating to this agreement. In addition, the related assets are recorded as other assets on the statements of financial position.

6. Grants

The Agency participated in federal grant programs with various governmental agencies, which are governed by various rules and regulations of the grantor agencies. Costs charged to the grant program are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Agency has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Grants receivable consist of amounts due from grantor agencies within one year. All grants received by the Agency are on cost reimbursement basis. Billings are prepared by the Agency based on classification coding in the general ledger and grant budgets. Grants receivable is recorded at the time the grant billing is generated.

7. Temporarily Restricted Net Assets

Temporarily restricted net assets are composed of the following at December 31:

	2016	2015
21 st Century Fund - extraordinary repairs	\$ 307,522	\$ 304,653
Fort Worth Independent School District - program expenses	-	123,957
United Way allocation - program expenses	43,297	36,429
YWLA program - program expenses	-	72,120
Eastern Hills High School - program expenses	-	13,548
Scholarships	28,967	3,560
Northside - program expenses	-	14,497
Technology	25,743	28,277
College and career readiness	17,500	15,000
Reading literacy	3,634	-
	\$ 426,663	\$ 612,041

8. Employee Benefit Plan

The Agency has a deferred compensation plan under section 401(k) of the internal revenue code. Employer contributions to the plan are discretionary. During the years ended December 31, 2016 and 2015, the Agency made contributions of \$4,681 and \$4,940, respectively, to the plan.

Girls Incorporated of Tarrant County

Statements of Financial Position

9. Subsequent Events

The date to which events occurring after December 31, 2016, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is May 15, 2017, which is the date on which the financial statements were available to be issued.