



Girls Incorporated of Tarrant County

Financial Statements
Years Ended December 31, 2017 and 2016

Girls Incorporated of Tarrant County

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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, 2017 and 2016, 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, 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.

BDO USA, LLP
April 16, 2018

Financial Statements

Girls Incorporated of Tarrant County

Statements of Financial Position

<i>December 31,</i>	2017	2016
Assets		
Current assets:		
Cash	\$ 1,101,764	\$ 1,005,879
Investments	95,317	94,157
Grants receivable	103,577	165,336
Pledges receivable	52,488	43,297
Accounts receivable (net of allowance for doubtful accounts \$30,000 for both 2017 and 2016)	26,171	28,022
Prepaid expenses	30,952	30,596
Total current assets	1,410,269	1,367,287
Property and equipment, net	168,210	181,459
Other assets	5,626	19,636
Total assets	\$ 1,584,105	\$ 1,568,382
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 7,102	\$ 9,843
Accrued liabilities	65,338	71,459
Total current liabilities	72,440	81,302
Deferred compensation	6,876	19,636
Total liabilities	63,929	100,938
Commitments and contingencies		
Net assets:		
Unrestricted	798,575	1,040,781
Temporarily restricted	706,214	426,663
Total net assets	1,504,789	1,467,444
Total liabilities and net assets	\$ 1,584,105	\$ 1,568,382

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statements of Activities

Years Ended December 31,

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and other support:						
Contributions	\$ 998,231	\$ -	\$ 998,231	\$ 694,705	\$ -	\$ 694,705
Fees	881,541	-	881,541	910,463	-	910,463
Allocations from United Way	55,102	52,488	107,590	46,480	43,297	89,777
Grants	169,470	892,031	1,061,501	539,954	476,443	1,016,397
Investment income	7,695	3,175	10,870	6,214	2,869	9,083
Special events	105,445	-	105,445	119,204	-	119,204
Gain on disposed property	-	-	-	12,108	-	12,108
Net assets released from restrictions - satisfaction of program restrictions	668,143	(668,143)	-	707,987	(707,987)	-
Total revenues and other support	2,885,627	279,551	3,165,178	3,037,115	(185,378)	2,851,737
Expenses:						
Girls programs	2,159,739	-	2,159,739	1,705,863	-	1,705,863
School age child care	644,696	-	644,696	633,006	-	633,006
Management and general	100,959	-	100,959	41,951	-	41,951
Fundraising	222,439	-	222,439	271,575	-	271,575
Total expenses	3,127,833	-	3,127,833	2,652,395	-	2,652,395
Change in net assets	(242,206)	279,551	37,345	384,720	(185,378)	199,342
Net assets at beginning of year	1,040,781	426,663	1,467,444	656,061	612,041	1,268,102
Net assets at end of year	\$ 798,575	\$ 706,214	\$ 1,504,789	\$ 1,040,781	\$ 426,663	\$ 1,467,444

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statement of Functional Expenses

Year Ended December 31,

2017

	Girls		Total		Management and		Fundraising		Total	
	Programs	School Age Child Care	Program Expenses	Program Expenses	General	General	Fundraising	Fundraising	Total	Total
Salaries and wages	\$ 831,996	\$ 426,198	\$ 1,258,194	\$ 1,258,194	\$ 53,022	\$ 53,022	\$ 151,113	\$ 151,113	\$ 1,462,329	\$ 1,462,329
Employee benefits	76,923	39,404	116,327	116,327	4,902	4,902	13,971	13,971	135,200	135,200
Payroll taxes and related expenses	64,281	32,928	97,209	97,209	4,096	4,096	11,675	11,675	112,980	112,980
Professional services and contract labor	23,966	8,138	32,104	32,104	6,866	6,866	10,599	10,599	49,569	49,569
Supplies	126,575	45,084	171,659	171,659	7,615	7,615	4,120	4,120	183,394	183,394
Supplies - In kind	507,056	-	507,056	507,056	913	913	-	-	507,969	507,969
Postage and shipping	1,155	295	1,450	1,450	512	512	791	791	2,753	2,753
Occupancy	98,758	42,287	141,045	141,045	3,973	3,973	15,379	15,379	160,397	160,397
Occupancy - In kind	145,650	-	145,650	145,650	-	-	-	-	145,650	145,650
Printing and publications	195	-	195	195	213	213	2,433	2,433	2,841	2,841
Travel and transportation	71,510	3,321	74,831	74,831	2,005	2,005	589	589	77,425	77,425
Conference and conventions	2,935	1,216	4,151	4,151	1,899	1,899	1,385	1,385	7,435	7,435
Subscriptions	-	2,440	2,440	2,440	1,187	1,187	224	224	3,851	3,851
Insurance	17,832	5,515	23,347	23,347	3,323	3,323	3,069	3,069	29,739	29,739
Payments to affiliated organizations	7,320	3,600	10,920	10,920	480	480	600	600	12,000	12,000
Licenses and fees	118	18,869	18,987	18,987	2,238	2,238	1,316	1,316	22,541	22,541
Depreciation	7,949	2,650	10,599	10,599	2,650	2,650	-	-	13,249	13,249
Miscellaneous - In kind	24,290	-	24,290	24,290	-	-	-	-	24,290	24,290
Advertising and promotion - In kind	36,535	-	36,535	36,535	-	-	-	-	36,535	36,535
Special events	41,377	-	41,377	41,377	-	-	177	177	41,554	41,554
Awards and grants	49,838	-	49,838	49,838	-	-	-	-	49,838	49,838
Telephones	11,280	9,569	20,849	20,849	2,566	2,566	2,218	2,218	25,633	25,633
Membership dues	3,167	250	3,417	3,417	629	629	747	747	4,793	4,793
Equipment	9,033	2,932	11,965	11,965	1,870	1,870	2,033	2,033	15,868	15,868
Total expenses	\$ 2,159,739	\$ 644,696	\$ 2,804,435	\$ 2,804,435	\$ 100,959	\$ 100,959	\$ 222,439	\$ 222,439	\$ 3,127,833	\$ 3,127,833

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statement of Functional Expenses

Year Ended December 31,

2016

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

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statements of Cash Flows

<i>Years Ended December 31,</i>	2017	2016
Cash Flows from Operating Activities:		
Change in net assets	\$ 37,345	\$ 199,342
Adjustment to reconcile above to net cash provided by operating activities:		
Depreciation	13,249	15,840
Gain on disposed property	-	(12,108)
Bad debt expense	-	1,680
Change in assets and liabilities:		
Decrease (increase) in:		
Grants receivable	61,759	11,616
Other assets	14,010	-
Pledges receivable	(9,191)	(6,868)
Accounts receivable	1,851	(8,733)
Prepaid expenses	(356)	(8,290)
Increase (decrease) in:		
Deferred compensation	(12,760)	-
Accounts payable	(2,741)	(6,162)
Accrued liabilities	(6,121)	33,614
Net cash provided by operating activities	97,045	219,931
Cash Flows from Investing Activities:		
Purchases of property and equipment	-	(17,635)
Insurance proceeds from disposed property	-	17,636
Purchases of investments	(1,160)	(1,201)
Net cash used in investing activities	(1,160)	(1,200)
Cash Flows from Financing Activities		
	-	-
Net increase in cash	95,885	218,731
Cash at beginning of year	1,005,879	787,148
Cash at end of year	\$ 1,101,764	\$ 1,005,879

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 2017, 5,032 girls participated in the comprehensive Girls Inc. experience. An additional 15,688 girls were reached through Girls Inc. Outreach and Events. In 2016, 4,037 girls participated in the comprehensive Girls Inc. Experience. An additional 12,299 girls were reached through Girls Inc. Outreach and Events.

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, 2017 or 2016.

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, 2017 and 2016 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, 2017 and 2016. 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, 2017 and 2016 which met criteria for recording in the accompanying financial statements. Total donated services facilities and supplies were \$653,619 and \$541,443 for the years ended December 31, 2017 and 2016, 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, 2017.

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, 2017 and 2016.

3. Property and Equipment

Property and equipment consists of the following at December 31:

	2017	2016
Land	\$ 125,660	\$ 125,660
Land improvements	7,615	7,615
Buildings	267,143	267,143
Office equipment	67,169	67,169
Vehicles	26,364	26,364
Furniture and equipment	19,937	19,937
Total	513,888	513,888
Less accumulated depreciation	(345,678)	(332,429)
Property and equipment, net	\$ 168,210	\$ 181,459

4. Operating Leases

The Agency leases equipment under non-cancelable operating leases that expire through December 2020. Rental expense for these leases consisted of \$15,295 and \$15,397 for 2017 and 2016, respectively. During 2017 and 2016, the Agency was under contracts to lease office spaces in two locations. Rental expenses under these leases totaled \$92,538 and \$63,009 for the years ended December 31, 2017 and 2016, respectively.

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

2018	\$	105,678
2019		107,392
2020		109,724
2021		65,119
	\$	387,913

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, 2017 and 2016, \$6,876 and \$19,636, respectively, was accrued relating to this agreement.

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:

	2017	2016
21 st Century Fund - extraordinary repairs	\$ 310,697	\$ 307,522
Crowley ISD - program expenses	125,478	-
Operation Smart - program expenses	55,349	-
United Way allocation - program expenses	52,488	43,297
Friendly Peer - program expenses	40,000	-
Eureka - Program expenses	30,627	-
Scholarships	27,627	28,967
Technology	24,945	25,743
College and career readiness	21,403	17,500
Reading literacy	16,437	3,634
Pregnancy prevention	1,163	-
	\$ 706,214	\$ 426,663

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, 2017 and 2016, the Agency made contributions of \$5,803 and \$4,681, 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, 2017, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is April 16, 2018, which is the date on which the financial statements were available to be issued.