



# Girls Incorporated of Tarrant County

## Financial Statements

Year Ended December 31, 2018

# Girls Incorporated of Tarrant County

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Financial Statements  
Year Ended December 31, 2018

# Girls Incorporated of Tarrant County

## Table of Contents

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Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	7
Notes to Financial Statements	8



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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 statement of financial position as of December 31, 2018, and the related statement of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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, 2018, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP  
June 17, 2019

## Financial Statements

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# Girls Incorporated of Tarrant County

## Statement of Financial Position

<i>December 31,</i>	<i>2018</i>
<b>Assets</b>	
<b>Current assets:</b>	
Cash	\$ 843,061
Accounts receivable (net of allowance for doubtful accounts \$40,000)	12,251
Grants receivable	82,538
Pledges receivable	54,045
Investments	97,062
Prepaid expenses	29,487
<b>Total current assets</b>	<b>1,118,444</b>
<b>Property and equipment, net</b>	<b>156,323</b>
<b>Other assets</b>	<b>8,027</b>
<b>Total assets</b>	<b>\$ 1,282,794</b>
<b>Liabilities and Net Assets</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 3,625
Accrued liabilities	78,070
<b>Total current liabilities</b>	<b>81,695</b>
<b>Deferred compensation</b>	<b>8,027</b>
<b>Total liabilities</b>	<b>89,722</b>
<b>Commitments and contingencies</b>	
<b>Net assets:</b>	
Without donor restriction	599,882
With donor restriction	593,190
<b>Total net assets</b>	<b>1,193,072</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,282,794</b>

*See accompanying notes to financial statements.*

# Girls Incorporated of Tarrant County

## Statement of Activities

<i>Year Ended December 31,</i>	<b>2018</b>		
	Without donor restriction	With donor restriction	Total
<b>Revenues and other support:</b>			
Contributions	\$ 747,156	\$ 114,830	\$ 861,986
Fees	883,319	-	883,319
Allocations from United Way	31,684	54,046	85,730
Grants	373,735	793,116	1,166,851
Investment income, net	9,492	3,849	13,341
Special events, net	104,416	-	104,416
Net assets released from restrictions satisfaction of program requirements	1,078,865	(1,078,865)	-
<b>Total revenues and other support</b>	<b>3,228,667</b>	<b>(113,024)</b>	<b>3,115,643</b>
<b>Expenses:</b>			
Girls programs	2,334,835	-	2,334,835
School age child care	688,105	-	688,105
Management and general	161,548	-	161,548
Fundraising	242,872	-	242,872
<b>Total expenses</b>	<b>3,427,360</b>	<b>-</b>	<b>3,427,360</b>
<b>Change in net assets</b>	<b>(198,693)</b>	<b>(113,024)</b>	<b>(311,717)</b>
<b>Net assets at beginning of year</b>	<b>798,575</b>	<b>706,214</b>	<b>1,504,789</b>
<b>Net assets at end of year</b>	<b>\$ 599,882</b>	<b>\$ 593,190</b>	<b>\$ 1,193,072</b>

*See accompanying notes to financial statements.*

# Girls Incorporated of Tarrant County

## Statement of Functional Expenses

Year Ended December 31,

2018

	Girls Programs	School Age Child Care	Total Program Management Expenses	and General	Fundraising	Total
Salaries and wages	\$ 1,035,259	\$ 448,524	\$ 1,483,783	\$ 87,664	\$ 176,223	\$ 1,747,670
Employee benefits	97,018	42,033	139,051	8,215	16,515	163,781
Payroll taxes and related expenses	92,186	39,939	132,125	7,806	15,692	155,623
Professional services and contract labor	25,684	6,912	32,596	8,960	4,905	46,461
Supplies	123,857	44,370	168,227	7,403	1,439	177,069
Supplies - In kind	396,664	-	396,664	-	-	396,664
Postage and shipping	1,979	500	2,479	156	240	2,875
Occupancy	94,798	41,262	136,060	10,106	11,777	157,943
Occupancy - In kind	141,238	-	141,238	-	-	141,238
Printing and publications	-	-	-	978	-	978
Travel and transportation	69,664	8,452	78,116	2,355	738	81,209
Conference and conventions	6,063	2,641	8,704	6,335	1,763	16,802
Subscriptions	613	1,755	2,368	249	1,170	3,787
Insurance	20,136	6,243	26,379	3,302	2,933	32,614
Payments to affiliated organizations	6,840	2,520	9,360	1,320	1,320	12,000
Licenses and fees	-	19,623	19,623	1,820	2,160	23,603
Depreciation	7,132	2,377	9,509	2,378	-	11,887
Miscellaneous - In kind	9,281	-	9,281	117	-	9,398
Advertising and promotion - In kind	86,639	-	86,639	-	-	86,639
Special events	61,202	5	61,207	-	869	62,076
Awards and grants	30,214	450	30,664	-	-	30,664
Telephones	16,278	7,773	24,051	1,931	2,130	28,112
Membership dues	1,247	316	1,563	1,463	685	3,711
Bad debt	-	10,000	10,000	8,342	-	18,342
Equipment	10,843	2,410	13,253	648	2,313	16,214
<b>Total expenses</b>	<b>\$ 2,334,835</b>	<b>\$ 688,105</b>	<b>\$ 3,022,940</b>	<b>\$ 161,548</b>	<b>\$ 242,872</b>	<b>\$ 3,427,360</b>

*See accompanying notes to financial statements.*

# Girls Incorporated of Tarrant County

## Statement of Cash Flows

<i>Year Ended December 31,</i>	<b>2018</b>
<b>Cash Flows from Operating Activities:</b>	
Change in net assets	\$ (311,717)
Adjustment to reconcile above to net cash used in operating activities:	
Depreciation	11,887
Bad debt expense	18,342
Change in assets and liabilities:	
Decrease (increase) in:	
Grants receivable	21,039
Other assets	(2,401)
Pledges receivable	(1,557)
Accounts receivable	(4,422)
Prepaid expenses	1,465
Increase (decrease) in:	
Deferred compensation	1,151
Accounts payable	(3,477)
Accrued liabilities	12,732
<b>Net cash used in operating activities</b>	<b>(256,958)</b>
<b>Cash Flows from Investing Activities:</b>	
Purchases of investments	(1,745)
<b>Net cash used in investing activities</b>	<b>(1,745)</b>
Net decrease in cash	(258,703)
Cash at beginning of year	1,101,764
<b>Cash at end of year</b>	<b>\$ 843,061</b>

*See accompanying notes to financial statements.*

# Girls Incorporated of Tarrant County

## Notes to Financial Statements

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### 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 2018, 6,055 girls participated in the comprehensive Girls Inc. experience. An additional 17,422 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.

#### *Financial Statement Presentation*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

***Net Assets Without Donor Restrictions*** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

***Net Assets With Donor Restrictions*** - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

# Girls Incorporated of Tarrant County

## Statements of Financial Position

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### *Revenue and Other Support*

The Agency reports gifts of cash and other assets as with donor restriction 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, with donor restricted net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

The Agency reports gifts of property and equipment as without donor restriction 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 with donor restriction 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, net of direct benefit to donors.

### *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

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### *Income Taxes*

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

The Agency follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic *Accounting for Uncertainty in Income Taxes*. 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 year ended December 31, 2018 there was no interest or penalties recorded or included in the statement of activities related to taxes. The Agency is still open to examination by taxing authorities from 2015 forward.

### *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 year ended December 31, 2018. 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 year ended December 31, 2018 which met criteria for recording in the accompanying financial statements. Total donated services, facilities and supplies were \$537,902 for the year ended December 31, 2018 and are included in supplies - in kind and occupancy - in kind in the statement of functional expenses.

### *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.

### *Functional Allocation of Expenses*

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on a reasonable basis that is consistently applied. The expenses that are allocated include utilities, depreciation and amortization, which are allocated on a square footage basis, as well as the remaining natural expense groupings which are allocated on the basis of estimates of time and effort.

# Girls Incorporated of Tarrant County

## Statements of Financial Position

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### *Fair Value of Financial Instruments*

The carrying value of cash, accounts receivable, pledges receivable, accounts payable and accrued liabilities are stated at carrying cost at December 31, 2018, which approximates fair value due to the relatively short maturity of these instruments.

### *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. No losses were recognized during the year ended December 31, 2018.

### *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.

### *New Accounting Pronouncements*

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), with the intended purpose of requiring lessees to recognize most leases "on-balance sheet". The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2019. The Agency is currently evaluating the impact that the adoption of ASU 2016-02 will have on the financial statements and related disclosures.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), with the intended purpose of improving financial reporting relating to revenue from contracts with customers. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018. The Agency is currently evaluating the impact that the adoption of ASU 2014-09 will have on the financial statements and related disclosures.

# Girls Incorporated of Tarrant County

## Statements of Financial Position

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### *Accounting Pronouncements Adopted*

In August 2016, the FASB issued ASU 2016-14, "Presentation of Financial Statements for Not-for-Profit Entities" (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature of either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expense, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method). The Agency has chosen to adopt this ASU as of and for the year ended December 31, 2018.

### 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, 2018.

### 3. Property and Equipment

Property and equipment consists of the following at December 31:

	2018
Land	\$ 125,660
Land improvements	7,615
Buildings	267,143
Office equipment	67,169
Vehicles	26,364
Furniture and equipment	19,937
Total	513,888
Less accumulated depreciation	(357,565)
Property and equipment, net	\$ 156,323

### 4. Operating Leases

The Agency leases equipment under non-cancelable operating leases that expire through December 2021. Rental expense for these leases consisted of \$16,396 during 2018. During 2018, the Agency was under contracts to lease office spaces in two locations. Rental expenses under these leases totaled \$92,539 for the year ended December 31, 2018.

# Girls Incorporated of Tarrant County

## Statements of Financial Position

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

2019	\$	107,392
2020		109,724
2021		65,119
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	\$	282,235

### 5. Deferred Compensation

The Agency has a deferred compensation agreement with its Executive Director. At December 31, 2018 \$8,027, 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. Net Assets With Donor Restriction

Net assets with donor restriction consist of the following at December 31:

		2018
21 <sup>st</sup> Century Fund - extraordinary repairs	\$	314,546
STEM - program expenses		84,824
United Way allocation - program expenses		54,045
Friendly Peer - program expenses		16,785
Scholarships		17,718
Bold Futures - program expenses		100,394
Pregnancy prevention		4,878
		<hr/>
	\$	593,190

# Girls Incorporated of Tarrant County

## Statements of Financial Position

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### 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 year ended December 31, 2018, the Agency made contributions of \$8,589 to the plan.

### 9. Liquidity and Availability of Resources

The Agency's financial assets available within one year of the consolidated statement of financial position date for general expenditure are as follows:

*December 31, 2018*

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Cash	\$	843,061
Investments		97,062
Grants receivable		82,538
Pledges receivable		54,045
Accounts receivable, net		12,251
21 <sup>st</sup> Century Fund - extraordinary repairs		(314,546)
Total financial assets available within one year for general expenditure		\$ 774,411

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As a part of the Agency's liquidity management, it has informally decided to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Agency maintains cash in financial institutions that is available for this use. In addition to financial assets available to meet general expenditures over the next 12 months, the Agency operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The Agency intends to utilize the funds restricted by donors at end of year for program operations in 2019, with the exception of the 21st Century Fund. This fund is not expected to be allocated for expenditure in the next 12 months.

### 10. Subsequent Events

The date to which events occurring after December 31, 2018, the date of the most recent statement of financial position, have been evaluated by the Agency for possible adjustment to the financial statements or disclosure is June 17, 2019, which is the date on which the financial statements were available to be issued.