



Girls Incorporated of Tarrant County

Financial Statements and Supplementary Information

For the Year Ended June 30, 2022

Girls Incorporated of Tarrant County

Financial Statements and Supplementary Information
For the Year Ended June 30, 2022

Girls Incorporated of Tarrant County

Table of Contents

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Supplemental Information	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	18
Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2022	21
Notes to Schedule of Expenditures of Federal Awards	22
Schedule of Findings and Questioned Costs for the Year Ended June 30, 2022	23



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Independent Auditor's Report

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

Opinion

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 June 30, 2022, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards that is being presented with the financial statements is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and



relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

BDO USA, LLP

December 13, 2022

Financial Statements

Girls Incorporated of Tarrant County

Statement of Financial Position

<i>June 30,</i>	<i>2022</i>
Assets	
Current assets:	
Cash	\$ 1,623,732
Accounts receivable (net of allowance for doubtful accounts \$ 5,000)	29,153
Grants receivable	251,837
Prepaid expenses	22,316
Total current assets	1,927,038
Property and equipment, net	147,963
Other assets	8,087
Total assets	\$ 2,083,088
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 1,722
Accrued liabilities	140,637
Total current liabilities	142,359
Deferred compensation	8,087
Total liabilities	150,446
Commitments and contingencies	
Net assets:	
Without donor restriction	1,560,590
With donor restriction	372,052
Total net assets	1,932,642
Total liabilities and net assets	\$ 2,083,088

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statement of Activities

<i>Year Ended June 30,</i>	2022		
	Without donor restriction	With donor restriction	Total
Revenues and other support:			
Contributions	\$ 256,062	48,978	\$ 305,040
Contributions - In kind	376,965	-	376,965
Fees	591,410	-	591,410
Allocations from United Way	-	135,013	135,013
Grants	2,065,968	268,500	2,334,468
Investment income, net	812	305	1,117
Special events	114,404	-	114,404
Net assets released - satisfaction of purpose restrictions	331,476	(331,476)	-
Net assets released - expiration of time restrictions	97,512	(97,512)	-
Total revenues and other support	3,834,609	23,808	3,858,417
Expenses:			
Girls programs	1,942,648	-	1,942,648
School age child care	864,946	-	864,946
Management and general	380,462	-	380,462
Fundraising	22,421	-	22,421
Total expenses	3,210,477	-	3,210,477
Change in net assets	624,123	23,808	647,940
Net assets at beginning of year	936,458	348,244	1,284,702
Net assets at end of year	\$ 1,560,590	\$ 372,052	\$ 1,932,642

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statement of Functional Expenses

Year Ended June 30,

2022

	Girls Programs	School Age Child Care	Total Program Expenses	Management and General	Fundraising	Total
Salaries and wages	\$ 1,026,720	\$ 526,319	\$ 1,553,039	\$ 225,221	\$ -	\$ 1,778,260
Employee benefits	77,856	39,910	117,766	17,078	-	134,844
Payroll taxes and related expenses	94,922	48,659	143,581	20,822	-	164,403
Professional services and contract labor	71,855	45,101	116,956	22,481	1,415	140,852
Professional services - In kind	140,669	-	140,669	-	-	140,669
Supplies	81,368	66,729	148,097	34,705	-	182,802
Supplies - In kind	130,797	-	130,797	-	-	130,797
Postage and shipping	32	366	398	483	-	881
Occupancy	101,183	54,877	156,060	13,628	-	169,688
Occupancy - In kind	105,499	-	105,499	-	-	105,499
Travel and transportation	4,545	6,300	10,845	2,130	-	12,975
Conference and conventions	2,354	1,723	4,077	777	-	4,854
Insurance	26,607	16,299	42,906	2,426	-	45,332
Payments to affiliated organizations	9,000	2,160	11,160	840	-	12,000
Licenses and fees	-	12,460	12,460	5,249	344	18,053
Depreciation	1,488	2,813	4,301	3,053	-	7,354
Miscellaneous	-	-	-	1,930	-	1,930
Advertising and promotion	63	40	103	1,740	-	1,843
Special events	8,153	-	8,153	20,086	20,662	48,901
Awards and grants	13,234	15,000	28,234	-	-	28,234
Telephones	16,053	17,537	33,590	1,564	-	35,154
Bad debt	6,667	-	6,667	-	-	6,667
Equipment	23,583	8,653	32,236	6,249	-	38,485
Total expenses	\$ 1,942,648	\$ 864,946	\$ 2,807,594	\$ 380,462	\$ 22,421	\$ 3,210,477

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statement of Cash Flows

<i>Year Ended June 30,</i>	2022
Cash Flows from Operating Activities:	
Change in net assets	\$ 647,940
Adjustment to reconcile above to net cash provided by operating activities:	
Depreciation	7,354
Bad debt expense	6,667
Change in assets and liabilities:	
Decrease (increase) in:	
Grants receivable	(126,461)
Accounts receivable	(34,741)
Prepaid expenses	(4,624)
Increase (decrease) in:	
Accounts payable	(11,683)
Accrued liabilities	36,083
Net cash provided by operating activities	520,535
Cash Flows from Investing Activities:	
Proceeds from sale of investments	102,121
Net cash provided by investing activities	102,121
Net increase in cash	622,656
Cash at beginning of year	1,001,076
Cash at end of year	\$ 1,623,732

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 July 1, 2021 through June 30, 2022, the agency delivered our mission primarily in-person with some virtual programs. 4,660 girls were served with 1,204 girls participating in the comprehensive Girls Inc. experience in-person. Additionally, 903 individuals received emergency support including food drives, period products, technology, and other supplies distributed by Girls Inc. These numbers are unaudited.

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

The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

Notes to Financial Statements

Revenue and Other Support

Agency accounts for revenue under ASC Revenue from Contracts with Customers (“ASC 606”). This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as contributions, leases, insurance, collaborative arrangements and financial instruments. Under ASC 606, an entity recognizes revenue when it transfers control of the promised goods or services to its customer, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services.

If control transfers to the customer over time, an entity selects a method to measure progress that is consistent with the objective of depicting its performance. Revenue streams that fall under ASC 606 are fees revenue and special events. Fees revenues are recorded as client services are rendered over time. Special events revenue is recorded on the date the special event occurs.

Contributions and cost reimbursement grants are not included in ASC 606 but are recorded in accordance ASU 2018-08 (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Contributions are recorded at fair value, which is net of estimated uncollectible amounts. 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 pledged. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Concentrations of Credit Risk

Concentrations of credit risk consist of cash, accounts receivable and grants 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. The Agency, by policy, limits its amount of cash exposure to any one financial institution.

Girls Incorporated of Tarrant County

Notes to Financial Statements

Property and Equipment

Purchased property and equipment are carried at cost or, if donated, estimated fair value at the donation date. The Agency capitalizes all assets with costs greater than \$3,000 and a useful life over one year.

Depreciation and amortization on property and equipment is provided under the straight-line method over the following estimated useful lives:

	Years
Building	35 years
Land improvements	7-10 years
Office equipment, vehicles and furniture and equipment	3-10 years

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 June 30, 2022 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 2019 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 June 30, 2022. 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 June 30, 2022, which met criteria for recording in the accompanying financial statements. Total donated services, facilities and supplies were \$376,965 for the year ended June 30, 2022 and are included in the statement of functional expenses

Girls Incorporated of Tarrant County

Notes to Financial Statements

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 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.

Fair Value of Financial Instruments

The carrying value of cash, certificates of deposit, accounts receivable, pledges receivable, accounts payable and accrued liabilities are stated at carrying cost at June 30, 2022, 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 June 30, 2022.

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. \$6,667 was written off as uncollectible for the year ended June 30, 2022.

Girls Incorporated of Tarrant County

Notes to Financial Statements

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)". The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the Agency for the year ending June 30, 2023. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management is still evaluating the impact Topic 842 will have on the consolidated financial statements.

In July 2021, the Agency adopted FASB No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. See Note 9.

2. Property and Equipment

Property and equipment consist of the following at June 30:

	2022
Land	\$ 125,660
Land improvements	7,615
Buildings	275,361
Office equipment	83,497
Vehicles	26,364
Furniture and equipment	19,937
Total	538,434
Less accumulated depreciation	(390,471)
Property and equipment, net	\$ 147,963

3. Operating Leases

The Agency leases equipment under non-cancelable operating leases that expire through November 2025. Rental expense for these leases consisted of \$13,555 during 2022. During 2022, the Agency was under contract to lease office space. Rental expenses under this lease totaled \$110,542 for the year ended June 30, 2022 and the contract period runs through January 2027.

Girls Incorporated of Tarrant County

Notes to Financial Statements

Future minimum lease payments under these lease commitments for the years ended June 30 are as follows:

2023	\$	131,510
2024		135,947
2025		140,383
2026		137,763
2027		78,930
		<hr/>
		\$ 624,533

4. Deferred Compensation

The Agency has a deferred compensation agreement with its Executive Director. At June 30, 2022, \$8,087 was accrued relating to this agreement.

5. 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.

6. Net Assets with Donor Restriction

Net assets with donor restriction consist of the following at June 30:

	2022
<hr/>	
Restricted for:	
21 st Century Fund - extraordinary repairs - Purpose Restriction	\$ 323,244
Scholarships - Purpose Restriction	6,510
STEM - Purpose Restriction	4,798
United Way - Time Restriction	37,500
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	\$ 372,052

Girls Incorporated of Tarrant County

Notes to Financial Statements

7. 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 June 30, 2022, the Agency made contributions of \$9,825 to the plan.

8. Liquidity and Availability of Resources

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

June 30, 2022

Cash	\$ 1,623,732
Grants receivable	251,837
Accounts receivable, net	29,153
21 st Century Fund - extraordinary repairs	(323,244)
<hr/>	
Total financial assets available within one year for general expenditure	\$ 1,581,478

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 2022, with the exception of the 21st Century Fund. This fund is not expected to be allocated for expenditure in the next 12 months.

9. Contributed Nonfinancial Assets

For the year ended June 30, contributed nonfinancial assets recognized within the statement of activities included:

<i>June 30,</i>	<i>2022</i>
Professional services - In kind	\$ 140,669
Supplies - In-Kind	130,797
Occupancy - In-kind	105,499
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	\$ 376,965

Girls Incorporated of Tarrant County

Notes to Financial Statements

The Agency receives in kind donations of volunteer time, supplies and rent. Utilization of all three groups occur in program. The Agency records volunteer time at industry rates from individuals who provide the Agency a specialized skill that the Agency would have had to otherwise hire to complete the work. Donated supplies are for things the Agency has a continued practice of purchasing for themselves and value the donations based on latest known price of the particular donated supply. The Agency values donated rent using similar rental units in similar location to the in-kind unit and finds publicly available rent per square foot to value the donated rent received by the Agency. None were collected with donor restrictions for the year ended June 30, 2022.

10. Subsequent Events

The date to which events occurring after June 30, 2022, 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 December 13, 2022, which is the date on which the financial statements were available to be issued.

Girls Incorporated of Tarrant County

Supplementary Information



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Fort Worth, TX 76102

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Girls Incorporated of Tarrant County (the “Agency”), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Fort Worth, Texas
December 13, 2022



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

Report on Compliance

Opinion on Compliance for Each Major Federal Program

We have audited Girls Incorporated of Tarrant County’s (the “Agency”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency’s major federal programs for the year ended June 30, 2022. The Agency’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Agency’s compliance with the types of compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency’s federal programs.

Girls Incorporated of Tarrant County

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Agency as of and for the year ended June 30, 2022, and have issued our report thereon dated December 13, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal award is fairly stated in all material respects in relation to the financial statements as a whole.

BDO USA, LLP

Fort Worth, Texas
December 13, 2022

Girls Incorporated of Tarrant County

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

Year Ended June 30, 2022

Federal Grant/Pass-Through Grant Grantor/Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services:				
MaryLee Allen Promoting Safe and Stable Families	93.556	N/A	\$ -	\$ 113,924
477 Cluster				
COVID-19 Temporary Assistance for Needy Families [American Rescue Plan Act]	93.558	N/A	-	23,735
Total 477 Cluster				23,735
Total U.S. Department of Health and Human Services				137,659
U.S. Department of Housing and Urban Development:				
CDBG - Entitlement Grants Cluster				
COVID 19- Community Development Block Grant Program CARES Act (CDBG-CV3)	14.218	N/A	-	358,174
Youth Development Program	14.218	N/A	-	20,000
COVID 19 - Community Development Block Grant Child Care Relief Funds [American Rescue Plan Act]	14.218	N/A	-	1,102,213
Community Development Block Grant	14.218	N/A	-	138,458
Total CDBG - Entitlement Grants Cluster				1,618,845
Total U.S. Housing and Urban Development				1,618,845
Total Expenditures of Federal Awards			\$ -	\$ 1,756,504

The accompanying notes are an integral part of this schedule

Girls Incorporated of Tarrant County

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal and grant activity of Girls Incorporated of Tarrant County (the Agency) under programs of the federal government for the year-ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Agency.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

3. Indirect Cost Rate

The Agency has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. The COVID-19 - Community Development Block Grant Child Care Relief Funds

The Community Development Block Grant Child Care Relief Funds (Assistance Listing number 14.218) administered by the U.S. Department of Housing and Urban Development and Texas Workforce Commission to provide emergency assistance for childcare services to communities affected by COVID-19. In 2022, the Agency reported \$239,940 of expenditures that were incurred in the prior year and are included in the Schedule.

Rehabilitation, Education, and Advocacy for Citizens with Handicaps, Inc.

Schedule of Findings and Questioned Costs Year Ended September 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x none reported
- Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	U.S. Department of Housing and Urban Development - CDBG - Entitlement Grants Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ yes x no

Girls Incorporated of Tarrant County

Schedule of Findings and Questioned Costs Year Ended June 30, 2022

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None