



# Girls Incorporated of Tarrant County

## Financial Statements

Years Ended December 31, 2015 and 2014

# Girls Incorporated of Tarrant County

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## Financial Statements

Years Ended December 31, 2015 and 2014

# 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, 2015 and 2014, 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

*BDO USA, LLP*

Fort Worth, Texas  
May 16, 2016

## Financial Statements

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# Girls Incorporated of Tarrant County

## Statements of Financial Position

<i>December 31,</i>	2015	2014
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 787,148	\$ 575,731
Investments -other	92,956	80,026
Grants receivable	176,952	62,760
Pledges receivable	36,429	39,946
Accounts receivable (net of allowance for doubtful accounts \$30,000 and \$5,000 for 2015 and 2014, respectively)	20,969	49,726
Prepaid expenses	22,306	20,610
<b>Total current assets</b>	<b>1,136,760</b>	<b>828,799</b>
<b>Property and equipment, net</b>	185,192	192,955
<b>Investments - other</b>	-	91,881
<b>Other assets</b>	26,620	20,060
<b>Total assets</b>	<b>\$ 1,348,572</b>	<b>\$ 1,133,695</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 16,005	\$ 6,144
Accrued liabilities	37,845	40,214
<b>Total current liabilities</b>	<b>53,850</b>	<b>46,358</b>
<b>Deferred compensation</b>	26,620	20,060
<b>Total liabilities</b>	<b>80,470</b>	<b>66,418</b>
<b>Commitments and contingencies</b>		
<b>Net assets:</b>		
Unrestricted	656,061	527,137
Temporarily restricted	612,041	540,140
<b>Total net assets</b>	<b>1,268,102</b>	<b>1,067,277</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,348,572</b>	<b>\$ 1,133,695</b>

*See accompanying notes to financial statements.*

# Girls Incorporated of Tarrant County

## Statements of Activities

<i>Years Ended December 31,</i>	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and other support:						
Contributions	\$ 540,404	\$ -	\$ 540,404	\$ 463,578	\$ -	\$ 463,578
Fees	884,402	-	884,402	869,622	-	869,622
Allocations from United Way	40,899	36,429	77,328	47,018	39,946	86,964
Grants	216,579	551,478	768,057	177,840	483,888	661,728
Investment income	4,735	2,455	7,190	368	2,056	2,424
Special events	76,889	-	76,889	52,818	-	52,818
Net assets released from restrictions - satisfaction of program restrictions	518,461	(518,461)	-	405,342	(405,342)	-
Total revenues and other support	2,282,369	71,901	2,354,270	2,016,586	120,548	2,137,134
Expenses:						
Girls programs	1,296,341	-	1,296,341	1,033,927	-	1,033,927
School age child care	602,214	-	602,214	596,991	-	596,991
Management and general	64,624	-	64,624	72,228	-	72,228
Fundraising	190,266	-	190,266	159,553	-	159,553
Total expenses	2,153,445	-	2,153,445	1,862,699	-	1,862,699
Change in net assets	128,924	71,901	200,825	153,887	120,548	274,435
Net assets at beginning of year	527,137	540,140	1,067,277	373,250	419,592	792,842
Net assets at end of year	\$ 656,061	\$ 612,041	\$ 1,268,102	\$ 527,137	\$ 540,140	\$ 1,067,277

*See accompanying notes to financial statements.*



# Girls Incorporated of Tarrant County

## Statement of Functional Expenses

Year Ended December 31,

2015

		Girls Programs	School Age Child Care	Total Program Expenses	Management and General	Fundraising	Total
Salaries and wages	\$	462,329	\$ 368,345	\$ 830,674	\$ 24,737	\$ 114,367	\$ 969,778
Employee benefits		43,874	34,955	78,829	2,348	10,853	92,030
Payroll taxes and related expenses		35,091	27,958	63,049	1,877	8,681	73,607
Professional services and contract labor		26,879	9,356	36,235	4,428	1,533	42,196
Supplies		78,687	39,513	118,200	2,806	7,596	128,602
Supplies - In kind		379,094	-	379,094	-	-	379,094
Postage and shipping		1,042	315	1,357	135	405	1,897
Occupancy		38,046	44,682	82,728	1,431	718	84,877
Occupancy - In kind		47,267	-	47,267	-	-	47,267
Printing and publications		1,075	-	1,075	-	7,918	8,993
Travel and transportation		33,892	6,999	40,891	10,561	452	51,904
Conference and conventions		1,466	750	2,216	5,155	1,731	9,102
Subscriptions		100	1,214	1,314	-	-	1,314
Insurance		17,125	7,431	24,556	2,954	1,656	29,166
Payments to affiliated organizations		5,400	3,200	8,600	200	1,200	10,000
Licenses and fees		1,635	13,279	14,914	1,544	-	16,458
Depreciation		8,483	2,827	11,310	2,827	-	14,137
Miscellaneous		18,968	-	18,968	71	-	19,039
Advertising and promotion - In kind		23,436	-	23,436	-	-	23,436
Special events		9,510	-	9,510	710	30,453	40,673
Awards and grants		21,804	-	21,804	-	-	21,804
Telephones		13,909	7,500	21,409	558	404	22,371
Membership dues		797	353	1,150	129	632	1,911
Bad debt		-	25,000	25,000	1,000	-	26,000
Equipment rental		26,432	8,537	34,969	1,153	1,667	37,789
<b>Total expenses</b>	<b>\$</b>	<b>1,296,341</b>	<b>\$ 602,214</b>	<b>\$ 1,898,555</b>	<b>\$ 64,624</b>	<b>\$ 190,266</b>	<b>\$ 2,153,445</b>

*See accompanying notes to financial statements.*

# Girls Incorporated of Tarrant County

## Statement of Functional Expenses

Year Ended December 31,

2014

		Girls Programs	School Age Child Care	Total Program Expenses	Management and General	Fundraising	Total
Salaries and wages	\$	358,865	\$ 367,002	\$ 725,867	\$ 41,356	\$ 103,327	\$ 870,550
Employee benefits		34,735	35,522	70,257	4,003	10,001	84,261
Payroll taxes and related expenses		29,806	30,481	60,287	3,435	8,582	72,304
Professional services and contract labor		22,541	7,803	30,344	5,519	4,011	39,874
Supplies		39,235	45,665	84,900	1,144	4,739	90,783
Supplies - In kind		307,762	12,581	320,343	1,123	-	321,466
Postage and shipping		1,045	284	1,329	259	1,147	2,735
Occupancy		29,174	43,608	72,782	910	1,276	74,968
Occupancy - In kind		56,861	-	56,861	-	-	56,861
Printing and publications		-	-	-	-	5,792	5,792
Travel and transportation		24,614	9,083	33,697	4,259	2,332	40,288
Conference and conventions		3,810	1,700	5,510	1,322	2,420	9,252
Subscriptions		11	2,496	2,507	-	295	2,802
Insurance		14,319	9,620	23,939	1,067	140	25,146
Payments to affiliated organizations		8,895	-	8,895	-	-	8,895
Licenses and fees		392	13,434	13,826	2,716	-	16,542
Depreciation		7,333	2,444	9,777	2,444	-	12,221
Miscellaneous		500	-	500	112	-	612
Advertising and promotion - In kind		42,984	-	42,984	-	-	42,984
Special events		3,538	-	3,538	741	11,647	15,926
Awards and grants		9,080	-	9,080	-	-	9,080
Telephones		12,650	7,663	20,313	475	775	21,563
Membership dues		1,627	907	2,534	286	663	3,483
Bad Debt		500	-	500	-	-	500
Equipment rental		23,650	6,698	30,348	1,057	2,406	33,811
<b>Total expenses</b>	<b>\$</b>	<b>1,033,927</b>	<b>\$ 596,991</b>	<b>\$ 1,630,918</b>	<b>\$ 72,228</b>	<b>\$ 159,553</b>	<b>\$ 1,862,699</b>

*See accompanying notes to financial statements.*

# Girls Incorporated of Tarrant County

## Statements of Cash Flows

Years Ended December 31,	2015	2014
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 200,825	\$ 274,435
Adjustment to reconcile above to net cash provided by operating activities:		
Depreciation	14,137	12,221
Bad debt expense	26,000	500
Change in assets and liabilities:		
Decrease (increase) in:		
Grants receivable	(114,192)	(37,232)
Pledges receivable	3,517	435
Accounts receivable	2,757	9,585
Prepaid expenses	(1,696)	(1,614)
Increase (decrease) in:		
Accounts payable	9,861	(14,937)
Accrued liabilities	(2,369)	(14,054)
Net cash provided by operating activities	138,840	229,339
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(6,374)	(33,235)
Purchases of investments	(1,215)	(1,280)
Proceeds from sale of investments	80,166	-
Net cash provided by (used in) provided by investing activities	72,577	(34,515)
<b>Cash Flows from Financing Activities</b>		
	-	-
Net increase in cash	211,417	194,824
Cash at beginning of year	575,731	380,907
Cash at end of year	\$ 787,148	\$ 575,731

*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. The Agency provides prevention, education and leadership programs for girls ages 6-18 years old and safe, affordable child care in Arlington ISD for children ages 5-12 years old. During 2015, 13,466 girls participated in Girls Inc. programs. The Agency served 12,459 youth during 2014 through the same programs.

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

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

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

#### *Financial Statement Presentation*

The Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

#### *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.

# Girls Incorporated of Tarrant County

## Statements of Financial Position

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### *Investments - other*

Certificates of deposit held for investment that are not debt securities are included in investments-other. Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short-term investments-other. Certificates of deposit with remaining maturities greater than one year are classified as long-term investments-other. Certificates of deposit are recorded at amortized cost or original cost plus accrued investment.

### *Concentrations of Credit Risk*

Concentrations of credit risk consist of cash, accounts receivable and pledges receivable. Accounts receivable are due from participants in the Agency's program in the normal course of business. 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. 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.

### *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 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 that should be recorded. For the years ended December 31, 2015 and 2014 there were no interest or penalties recorded or included in the statement of activities. The Agency is still open to examination by taxing authorities from 2011 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.

# Girls Incorporated of Tarrant County

## Statements of Financial Position

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### *In Kind Contributions*

The Agency received donated marketing and other professional services, requiring specific expertise, during the years ended December 31, 2015 and 2014. These services would have been purchased if not donated and met the criteria for recording in the accompanying financial statements.

In addition, the Agency received donations of supplies during the years ended December 31, 2015 and 2014 which met criteria for recording in the accompanying financial statements. Total donated services facilities and supplies were \$468,726 and \$421,311 for the years ended December 31, 2015 and 2014, 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. No such losses were recognized during the years ended December 31, 2015 and 2014.

### *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. Grants Receivable**

Grants receivable consist of amounts due from grantor agencies within one year.

## **3. 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, 2015 and 2014.

# Girls Incorporated of Tarrant County

## Statements of Financial Position

### 4. Property and Equipment

Property and equipment consists of the following at December 31:

	2015	2014
Land	\$ 125,660	\$ 125,660
Land improvements	7,615	7,615
Buildings	267,003	260,628
Office equipment	67,169	67,169
Vehicles	26,364	26,364
Furniture and equipment	19,937	19,937
Total	513,748	507,373
Less accumulated depreciation	(328,556)	(314,418)
Property and equipment, net	\$ 185,192	\$ 192,955

### 5. Operating Leases

The Agency leases equipment under non-cancelable operating leases that expire on November 10, 2015. Rental expense for these leases consisted of \$27,036 and \$26,031 for 2015 and 2014, respectively. During 2011, the Agency entered into a lease for office space and during 2015, the Agency entered into a second lease for additional office space. Rental expenses under these leases totaled \$24,347 and \$22,113 for the years ended December 31, 2015 and 2014, respectively.

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

2016	\$ 38,198
2017	13,530
2018	13,140
2019	13,140
2020	12,045
	\$ 90,053

### 6. Deferred Compensation

The Agency has a deferred compensation agreement with its Executive Director. At December 31, 2015 and 2014, \$26,620 and \$20,060, respectively, was accrued relating to this agreement. In addition, the related assets are recorded as other assets on the statements of financial position.

# Girls Incorporated of Tarrant County

## Statements of Financial Position

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### 7. 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.

### 8. Temporarily Restricted Net Assets

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

	2015	2014
21 <sup>st</sup> Century Fund	\$ 304,653	\$ 302,198
Fort Worth Independent School District	123,957	-
United Way allocation	36,429	39,946
YWLA program	72,120	80,701
Eastern Hills High School	13,548	34,210
Scholarships	3,560	7,060
Northside	14,497	14,314
Operation Smart	-	26,202
Technology	28,277	21,108
College and career readiness	15,000	-
Reading Literacy	-	14,401
	<u>\$ 612,041</u>	<u>\$ 540,140</u>

### 9. 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, 2015 and 2014, the Agency made contributions of \$4,940 and \$4,280, respectively, to the plan.

### 10. Subsequent Events

The date to which events occurring after December 31, 2015, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is May 16, 2016, which is the date on which the financial statements were available to be issued.