

GIRLS INCORPORATED OF TARRANT COUNTY

Financial Statements

**As of and for the Years Ended
December 31, 2013 and 2012**

(With Independent Auditor's Report)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Girls Incorporated of Tarrant County:

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, 2013 and 2012, 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 that 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, 2013 and 2012, 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.

Hartman Leito + Bolt LLP

June 9, 2014
Fort Worth, Texas

GIRLS INCORPORATED OF TARRANT COUNTY
Statements of Financial Position
December 31, 2013 and 2012

| | 2013 | 2012 |
|--|------------|------------|
| <u>ASSETS</u> | | |
| Current assets: | | |
| Cash | \$ 380,907 | \$ 159,932 |
| Restricted cash | - | 48,889 |
| Investments | 170,627 | 300,780 |
| Grants receivable | 25,528 | 7,540 |
| Pledges receivable | 40,381 | 42,888 |
| Accounts receivable (net of allowance for doubtful accounts \$5,000 and \$2,982 for 2013 and 2012, respectively) | 59,811 | 42,654 |
| Prepaid expenses | 18,996 | 17,927 |
| Total current assets | 696,250 | 620,610 |
| Property and equipment, net | 171,941 | 202,237 |
| Other assets | 12,224 | 3,602 |
| Total assets | \$ 880,415 | \$ 826,449 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current liabilities: | | |
| Accounts payable | \$ 21,081 | \$ 17,604 |
| Accrued liabilities | 54,268 | 35,307 |
| Deferred compensation | - | 48,889 |
| Total current liabilities | 75,349 | 101,800 |
| Long-term liabilities - | | |
| Deferred compensation | 12,224 | 3,602 |
| Total liabilities | 87,573 | 105,402 |
| Commitments and contingencies | - | - |
| Net assets: | | |
| Unrestricted | 373,250 | 348,693 |
| Temporarily restricted | 419,592 | 372,354 |
| Total net assets | 792,842 | 721,047 |
| Total liabilities and net assets | \$ 880,415 | \$ 826,449 |

The accompanying notes are an integral part of these financial statements.

GIRLS INCORPORATED OF TARRANT COUNTY
Statements of Activities
For the Years Ended December 31, 2013 and 2012

| | 2013 | | | 2012 | | |
|---|-------------------|---------------------------|-------------------|-------------------|---------------------------|-------------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| Revenues and other support: | | | | | | |
| Contributions | \$ 407,999 | \$ - | \$ 407,999 | \$ 417,234 | \$ - | \$ 417,234 |
| Fees | 826,456 | - | 826,456 | 778,898 | - | 778,898 |
| Allocations from United Way | 52,572 | 40,382 | 92,954 | 50,497 | 42,888 | 93,385 |
| Grants | 78,429 | 331,532 | 409,961 | 67,081 | 183,994 | 251,075 |
| Investment income | 3,519 | - | 3,519 | 2,999 | - | 2,999 |
| Special events | 56,906 | - | 56,906 | 24,069 | - | 24,069 |
| Gain on sale of assets | - | - | - | 6,000 | - | 6,000 |
| Net assets released from restrictions - satisfaction of program restrictions | 324,676 | (324,676) | - | 276,432 | (276,432) | - |
| Total revenues and other support | 1,750,557 | 47,238 | 1,797,795 | 1,623,210 | (49,550) | 1,573,660 |
| Expenses: | | | | | | |
| Girls programs | 883,948 | - | 883,948 | 816,501 | - | 816,501 |
| School age child care | 640,465 | - | 640,465 | 723,399 | - | 723,399 |
| Management and general | 152,558 | - | 152,558 | 99,323 | - | 99,323 |
| Fundraising | 49,029 | - | 49,029 | 42,245 | - | 42,245 |
| Total expenses | 1,726,000 | - | 1,726,000 | 1,681,468 | - | 1,681,468 |
| Change in net assets | 24,557 | 47,238 | 71,795 | (58,258) | (49,550) | (107,808) |
| Net assets at beginning of year | 348,693 | 372,354 | 721,047 | 406,951 | 421,904 | 828,855 |
| Net assets at end of year | \$ 373,250 | \$ 419,592 | \$ 792,842 | \$ 348,693 | \$ 372,354 | \$ 721,047 |

The accompanying notes are an integral part of these financial statements.

GIRLS INCORPORATED OF TARRANT COUNTY
Statement of Functional Expenses
For the Year Ended December 31, 2013

| | Girls Programs | School Age Child Care | Total Program Expenses | Management and General | Fundraising | Total |
|--|-------------------|--------------------------|---------------------------|---------------------------|------------------|---------------------|
| Salaries and wages | \$ 369,194 | \$ 402,994 | \$ 772,188 | \$ 33,650 | \$ 14,164 | \$ 820,002 |
| Employee benefits | 33,265 | 36,311 | 69,576 | 3,032 | 1,276 | 73,884 |
| Payroll taxes and related expenses | 27,706 | 30,242 | 57,948 | 2,525 | 1,063 | 61,536 |
| Professional services and contract labor | 15,710 | 11,598 | 27,308 | 12,399 | 318 | 40,025 |
| Supplies | 32,873 | 30,039 | 62,912 | 1,837 | 3,630 | 68,379 |
| Supplies - In kind | 229,671 | 16,843 | 246,514 | 39,466 | 892 | 286,872 |
| Postage and shipping | 790 | 373 | 1,163 | 1,230 | 53 | 2,446 |
| Occupancy | 28,603 | 40,842 | 69,445 | 1,397 | 326 | 71,168 |
| Occupancy - In kind | 8,669 | 2,451 | 11,120 | 5,055 | - | 16,175 |
| Printing and publications | - | - | - | - | 5,219 | 5,219 |
| Travel and transportation | 22,022 | 10,028 | 32,050 | 3,439 | 480 | 35,969 |
| Conference and conventions | 4,954 | 890 | 5,844 | 5,704 | 977 | 12,525 |
| Subscriptions | 38 | 1,788 | 1,826 | 20 | 254 | 2,100 |
| Insurance | 12,603 | 7,136 | 19,739 | - | 192 | 19,931 |
| Payments to affiliated organizations | 5,800 | 3,700 | 9,500 | 400 | 100 | 10,000 |
| Licenses and fees | 459 | 10,733 | 11,192 | 2,709 | - | 13,901 |
| Depreciation | 19,938 | 6,646 | 26,584 | 6,647 | - | 33,231 |
| Miscellaneous | 2,787 | 788 | 3,575 | 1,778 | - | 5,353 |
| Advertising and promotion - In kind | 30,257 | 8,556 | 38,813 | 17,642 | - | 56,455 |
| Special events | 3,808 | - | 3,808 | 6,904 | 19,257 | 29,969 |
| Awards and grants | 8,270 | - | 8,270 | - | - | 8,270 |
| Telephones | 7,158 | 7,528 | 14,686 | 5,431 | 121 | 20,238 |
| Membership dues | 1,100 | 1,297 | 2,397 | 269 | 334 | 3,000 |
| Equipment rental | 18,273 | 9,682 | 27,955 | 1,024 | 373 | 29,352 |
| Total expenses | \$ 883,948 | \$ 640,465 | \$ 1,524,413 | \$ 152,558 | \$ 49,029 | \$ 1,726,000 |

The accompanying notes are an integral part of these financial statements.

GIRLS INCORPORATED OF TARRANT COUNTY
Statement of Functional Expenses
For the Year Ended December 31, 2012

| | Girls Programs | School Age Child Care | Total Program Expenses | Management and General | Fundraising | Total |
|--|-------------------|--------------------------|---------------------------|---------------------------|------------------|---------------------|
| Salaries and wages | \$ 323,069 | \$ 439,896 | \$ 762,965 | \$ 21,132 | \$ 15,488 | \$ 799,585 |
| Employee benefits | 28,701 | 39,080 | 67,781 | 1,878 | 1,376 | 71,035 |
| Payroll taxes and related expenses | 24,799 | 33,766 | 58,565 | 1,622 | 1,189 | 61,376 |
| Professional services and contract labor | 15,773 | 13,050 | 28,823 | 4,932 | 1,165 | 34,920 |
| Supplies | 31,427 | 35,453 | 66,880 | 2,470 | 2,568 | 71,918 |
| Supplies - In kind | 238,517 | 32,476 | 270,993 | 27,275 | 8,697 | 306,965 |
| Postage and shipping | 540 | 554 | 1,094 | 410 | 712 | 2,216 |
| Occupancy | 24,618 | 46,043 | 70,661 | 1,855 | 134 | 72,650 |
| Occupancy - In kind | 6,988 | 3,636 | 10,624 | 3,404 | - | 14,028 |
| Printing and publications | 143 | - | 143 | - | 5,831 | 5,974 |
| Travel and transportation | 18,245 | 8,738 | 26,983 | 5,129 | 1,040 | 33,152 |
| Conference and conventions | 1,552 | 2,499 | 4,051 | 4,022 | 843 | 8,916 |
| Subscriptions | 79 | 597 | 676 | - | 1,301 | 1,977 |
| Insurance | 11,956 | 7,692 | 19,648 | 1,627 | 107 | 21,382 |
| Payments to affiliated organizations | 6,720 | 4,560 | 11,280 | 600 | 120 | 12,000 |
| Licenses and fees | - | 12,508 | 12,508 | 2,879 | - | 15,387 |
| Depreciation | 5,688 | 1,968 | 7,656 | 1,918 | - | 9,574 |
| Bad debt expense | - | 1,029 | 1,029 | - | - | 1,029 |
| Miscellaneous | 78 | 120 | 198 | 30 | - | 228 |
| Advertising and promotion - In kind | 35,115 | 18,873 | 53,988 | 14,778 | - | 68,766 |
| Special events | 5,402 | - | 5,402 | 554 | 1,012 | 6,968 |
| Awards and grants | 12,550 | - | 12,550 | 200 | - | 12,750 |
| Telephones | 7,135 | 9,702 | 16,837 | 1,076 | 138 | 18,051 |
| Membership dues | 1,282 | 1,598 | 2,880 | 496 | 355 | 3,731 |
| Equipment rental | 16,124 | 9,561 | 25,685 | 1,036 | 169 | 26,890 |
| Total expenses | \$ 816,501 | \$ 723,399 | \$ 1,539,900 | \$ 99,323 | \$ 42,245 | \$ 1,681,468 |

The accompanying notes are an integral part of these financial statements.

GIRLS INCORPORATED OF TARRANT COUNTY
Statements of Cash Flows
For The Years Ended December 31, 2013 and 2012

| | 2013 | 2012 |
|---|------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 71,795 | \$ (107,808) |
| Adjustment to reconcile above to net cash provided by (used in) operating activities: | | |
| Depreciation | 33,231 | 9,574 |
| Gain on sale of assets | - | (6,000) |
| Bad debt expense | - | 1,029 |
| Change in assets and liabilities: | | |
| Decrease (increase) in: | | |
| Grants receivable | (17,988) | 3,277 |
| Pledges receivable | 2,507 | 18,810 |
| Accounts receivable | (17,157) | (16,480) |
| Prepaid expenses | (1,069) | 2,584 |
| Increase (decrease) in: | | |
| Accounts payable | 3,477 | 3,535 |
| Accrued liabilities | 18,961 | (12,441) |
| Net cash provided by (used in) operating activities | 93,757 | (103,920) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of property and equipment | (2,935) | (4,000) |
| Proceeds from sale of property | - | 6,000 |
| Purchases of investments | (169,707) | (2,952) |
| Proceeds from sale of investments | 299,860 | 176,028 |
| Net cash provided by investing activities | 127,218 | 175,076 |
| CASH FLOWS FROM FINANCING ACTIVITIES | - | - |
| Net increase in cash | 220,975 | 71,156 |
| Cash at beginning of year | 159,932 | 88,776 |
| Cash at end of year | \$ 380,907 | \$ 159,932 |

The accompanying notes are an integral part of these financial statements.

GIRLS INCORPORATED OF TARRANT COUNTY
Notes to Financial Statements
As of and for the Years Ended December 31, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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. Through these programs and services, the Agency served 10,899 youth during 2013.

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.

(b) 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.

(c) 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
Notes to Financial Statements
As of and for the Years Ended December 31, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Investments

Certificates of deposit are reported at cost, which approximates fair value.

(e) 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.

(f) 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.

(g) 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, 2013 and 2012 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 2010 forward.

(h) 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.

(i) In Kind Contributions

The Agency received donated marketing and other professional services, requiring specific expertise, during the years ended December 31, 2013 and 2012. 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, 2013 and 2012 which met criteria for recording in the accompanying financial statements. Total donated services facilities and supplies were \$364,702 and \$389,685 for the years ended December 31, 2013 and 2012, respectively.

GIRLS INCORPORATED OF TARRANT COUNTY
Notes to Financial Statements
As of and for the Years Ended December 31, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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.

(k) 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, 2013 and 2012.

(l) 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.

(m) Recent Accounting Pronouncements

The Agency's management has evaluated the recently issued accounting pronouncements through the date these financial statements were available to be issued and has determined the application of these pronouncements will have no material impact on the Agency's financial position and changes in net assets.

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, 2013 and 2012.

GIRLS INCORPORATED OF TARRANT COUNTY
Notes to Financial Statements
As of and for the Years Ended December 31, 2013 and 2012

4. INVESTMENTS

Investments are stated at cost, which approximates fair market value.

Investments consisted of the following:

| <u>2013</u> | <u>Cost</u> | <u>Market Value</u> | <u>Unrealized Gain/(Loss)</u> |
|-------------------------|-------------------|---------------------|-------------------------------|
| Certificates of deposit | \$ <u>170,627</u> | \$ <u>170,627</u> | \$ <u>-</u> |
| | | | |
| <u>2012</u> | | | |
| Certificates of deposit | \$ <u>300,780</u> | \$ <u>300,780</u> | \$ <u>-</u> |

Investment return for the years ended December 31, is summarized as follows:

| | <u>2013</u> | <u>2012</u> |
|-----------------|-----------------|-----------------|
| Interest income | \$ <u>3,519</u> | \$ <u>2,999</u> |

5. FAIR VALUE MEASUREMENTS

FASB ASC topic *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

GIRLS INCORPORATED OF TARRANT COUNTY
Notes to Financial Statements
As of and for the Years Ended December 31, 2013 and 2012

5. FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

Certificates of Deposit: The fair value of the certificates of deposit is based on amortized cost or original cost plus accrued interest and are classified as level 2 in the fair value hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table set forth by level, within the fair value hierarchy, the Agency's assets at fair value as of December 31:

| | <u>2013</u> | <u>2012</u> |
|-----------------------------------|-------------------|-------------------|
| Certificates of Deposit – Level 2 | \$ <u>170,627</u> | \$ <u>300,780</u> |

6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

| | <u>2013</u> | <u>2012</u> |
|-------------------------------|-------------------|-------------------|
| Land | \$ 125,660 | \$125,660 |
| Land improvements | 7,615 | 7,615 |
| Buildings | 260,628 | 257,693 |
| Office equipment | 60,298 | 60,298 |
| Vehicles | - | 24,444 |
| Furniture and equipment | 19,937 | 19,937 |
| Recreational equipment | - | <u>10,302</u> |
| Total | 474,138 | 505,949 |
| Less accumulated depreciation | <u>(302,197)</u> | <u>(303,712)</u> |
| Property and equipment, net | \$ <u>171,941</u> | \$ <u>202,237</u> |

7. OPERATING LEASES

The Agency leases equipment under non-cancelable operating leases that expire on November 10, 2015. Rental expense for these leases consisted of \$25,502 and \$26,572 for 2013 and 2012, respectively. During 2011, the Agency entered into a lease for office space. Rental expense under this lease totaled \$21,896 and \$20,784 for the years ended December 31, 2013 and 2012, respectively.

GIRLS INCORPORATED OF TARRANT COUNTY
Notes to Financial Statements
As of and for the Years Ended December 31, 2013 and 2012

7. OPERATING LEASES

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

| | |
|------|------------------|
| 2014 | \$ 43,393 |
| 2015 | 39,456 |
| 2016 | <u>15,372</u> |
| | \$ <u>98,221</u> |

8. DEFERRED COMPENSATION

The Agency has a deferred compensation agreement with its Executive Director. At December 31, 2013 and 2012, \$12,224 and \$52,491, respectively, was accrued relating to this agreement. In addition, the related assets are recorded as restricted cash and other assets on the statements of financial position.

9. 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.

10. TEMPORARILY RESTRICTED NET ASSETS

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

| | <u>2013</u> | <u>2012</u> |
|-------------------------------|-------------------|-------------------|
| 21 st Century Fund | \$ 292,572 | \$ 295,507 |
| United Way allocation | 40,381 | 42,888 |
| YWLA program | 29,601 | - |
| Property | 20,857 | 10,000 |
| Eastern Hills High School | - | 9,435 |
| Scholarships | 7,060 | 7,560 |
| Northside | 1,626 | 4,519 |
| Operation Smart | - | 2,445 |
| Technology | 10,000 | - |
| Reading Literacy | <u>17,495</u> | <u>-</u> |
| | \$ <u>419,592</u> | \$ <u>372,354</u> |

GIRLS INCORPORATED OF TARRANT COUNTY
Notes to Financial Statements
As of and for the Years Ended December 31, 2013 and 2012

11. 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, 2013 and 2012, the Agency made contributions of \$5,015 and \$6,479, respectively, to the plan.

12. SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2013, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is June 9, 2014, which is the date on which the financial statements were available to be issued.