



Girls Incorporated of Tarrant County

Financial Statements

For the Year Ended December 31, 2014 and 2013

Girls Incorporated of Tarrant County

Financial Statements

Years Ended December 31, 2014 and 2013

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 statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Partnership'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, 2014, 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.

Other Matter

The 2013 financial statements of Girls Incorporated of Tarrant County were audited by other auditors, whose report dated June 9, 2014 expressed an unmodified opinion on those statements.

BDO USA, LLP

Fort Worth, Texas
May 19, 2015

Financial Statements

Girls Incorporated of Tarrant County

Statements of Financial Position

<i>December 31,</i>	2014	2013
Assets		
Current assets:		
Cash	\$ 575,731	\$ 380,907
Investments -other	80,026	170,627
Grants receivable	62,760	25,528
Pledges receivable	39,946	40,381
Accounts receivable (net of allowance for doubtful accounts \$5,000 for 2014 and 2013)	49,726	59,811
Prepaid expenses	20,610	18,996
Total current assets	828,799	696,250
Property and equipment, net	192,955	171,941
Investments - other	91,881	-
Other assets	20,060	12,224
Total assets	\$ 1,133,695	\$ 880,415
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 6,144	\$ 21,081
Accrued liabilities	40,214	54,268
Total current liabilities	46,358	75,349
Deferred compensation	20,060	12,224
Total liabilities	66,418	87,573
Commitments and contingencies		
Net assets:		
Unrestricted	527,137	373,250
Temporarily restricted	540,140	419,592
Total net assets	1,067,277	792,842
Total liabilities and net assets	\$ 1,133,695	\$ 880,415

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statements of Activities

<i>Years Ended December 31,</i>	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and other support:						
Contributions	\$ 463,578	\$ -	\$ 463,578	\$ 407,999	\$ -	\$ 407,999
Fees	869,622	-	869,622	826,456	-	826,456
Allocations from United Way	47,018	39,946	86,964	52,572	40,382	92,954
Grants	177,840	483,888	661,728	78,429	331,532	409,961
Investment income	368	2,056	2,424	3,519	-	3,519
Special events	52,818	-	52,818	56,906	-	56,906
Net assets released from restrictions - satisfaction of program restrictions	405,342	(405,342)	-	324,676	(324,676)	-
Total revenues and other support	2,016,586	120,548	2,137,134	1,750,557	47,238	1,797,795
Expenses:						
Girls programs	1,033,927	-	1,033,927	883,948	-	883,948
School age child care	596,991	-	596,991	640,465	-	640,465
Management and general	72,228	-	72,228	152,558	-	152,558
Fundraising	159,553	-	159,553	49,029	-	49,029
Total expenses	1,862,699	-	1,862,699	1,726,000	-	1,726,000
Change in net assets	153,887	120,548	274,435	24,557	47,238	71,795
Net assets at beginning of year	373,250	419,592	792,842	348,693	372,354	721,047
Net assets at end of year	\$ 527,137	\$ 540,140	\$ 1,067,277	\$ 373,250	\$ 419,592	\$ 792,842

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
Total expenses	\$	1,033,927	\$ 596,991	\$ 1,630,918	\$ 72,228	\$ 159,553	\$ 1,862,699

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statement of Functional Expenses

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

See accompanying notes to financial statements.

Girls Incorporated of Tarrant County

Statements of Cash Flows

<i>Years Ended December 31,</i>	2014	2013
Cash Flows from Operating Activities:		
Change in net assets	\$ 274,435	\$ 71,795
Adjustment to reconcile above to net cash provided by operating activities:		
Depreciation	12,221	33,231
Bad debt expense	500	-
Change in assets and liabilities:		
Decrease (increase) in:		
Grants receivable	(37,232)	(17,988)
Pledges receivable	435	2,507
Accounts receivable	9,585	(17,157)
Prepaid expenses	(1,614)	(1,069)
Increase (decrease) in:		
Accounts payable	(14,937)	3,477
Accrued liabilities	(14,054)	18,961
Net cash provided by operating activities	229,339	93,757
Cash Flows from Investing Activities:		
Purchases of property and equipment	(33,235)	(2,935)
Purchases of investments	(1,280)	(169,707)
Proceeds from sale of investments	-	299,860
Net cash (used in) provided by investing activities	(34,515)	127,218
Cash Flows from Financing Activities		
	-	-
Net increase in cash	194,824	220,975
Cash at beginning of year	380,907	159,932
Cash at end of year	\$ 575,731	\$ 380,907

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. 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 12,459 and 10,899 youth during 2014 and 2013, respectively.

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

Notes to Financial Statements

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, 2014 and 2013 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.

In Kind Contributions

The Agency received donated marketing and other professional services, requiring specific expertise, during the years ended December 31, 2014 and 2013. These services would have been purchased if not donated and met the criteria for recording in the accompanying financial statements.

Girls Incorporated of Tarrant County

Notes to Financial Statements

In addition, the Agency received donations of supplies during the years ended December 31, 2014 and 2013 which met criteria for recording in the accompanying financial statements. Total donated services facilities and supplies were \$421,311 and \$364,702 for the years ended December 31, 2014 and 2013, 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, 2014 and 2013.

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, 2014 and 2013.

Girls Incorporated of Tarrant County

Notes to Financial Statements

4. Property and Equipment

Property and equipment consists of the following at December 31:

	2014	2013
Land	\$ 125,660	\$ 125,660
Land improvements	7,615	7,615
Buildings	260,628	260,628
Office equipment	67,169	60,298
Vehicles	26,364	-
Furniture and equipment	19,937	19,937
Total	507,373	474,138
Less accumulated depreciation	(314,418)	(302,197)
Property and equipment, net	\$ 192,955	\$ 171,941

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 \$26,031 and \$25,502 for 2014 and 2013, respectively. During 2011, the Agency entered into a lease for office space. Rental expense under this lease totaled \$22,113 and \$21,896 for the years ended December 31, 2014 and 2013, respectively.

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

2015	\$ 40,392
2016	16,308
2017	390
	\$ 57,090

6. Deferred Compensation

The Agency has a deferred compensation agreement with its Executive Director. At December 31, 2014 and 2013, \$20,060 and \$12,224, respectively, was accrued relating to this agreement. In addition, the related assets are recorded as other assets on the statements of financial position.

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

Girls Incorporated of Tarrant County

Notes to Financial Statements

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:

	2014	2013
21 st Century Fund	\$ 302,198	\$ 292,572
United Way allocation	39,946	40,381
YWLA program	80,701	29,601
Property	-	20,857
Eastern Hills High School	34,210	-
Scholarships	7,060	7,060
Northside	14,314	1,626
Operation Smart	26,202	-
Technology	21,108	10,000
Reading Literacy	14,401	17,495
	\$ 540,140	\$ 419,592

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, 2014 and 2013, the Agency made contributions of \$4,280 and \$5,015, respectively, to the plan.

10. Subsequent Events

The date to which events occurring after December 31, 2014, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is May 19, 2015, which is the date on which the financial statements were available to be issued.