

**Girls Incorporated of Metropolitan Dallas and
Girls Inc. Foundation**

Consolidated Financial Statements
and Supplementary Information

June 30, 2018 and 2017



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Dallas, Texas

We have audited the accompanying consolidated financial statements of Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation as of June 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information on pages 17 - 22 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Armanino LLP

Armanino^{LLP}
Dallas, Texas

August 28, 2018

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statements of Financial Position
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 839,514	\$ 539,773
Investments, at fair value	915,692	1,056,460
Accounts and pledge receivables, net	180,045	120,973
Prepaid expenses	46,683	33,457
Property and equipment, net	808,718	770,590
Total assets	\$ 2,790,652	\$ 2,521,253
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 97,577	\$ 36,498
Total liabilities	97,577	36,498
Net assets		
Unrestricted	2,240,808	2,023,990
Temporarily restricted	452,267	460,765
Total net assets	2,693,075	2,484,755
Total liabilities and net assets	\$ 2,790,652	\$ 2,521,253

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

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statement of Activities
For the Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and other support			
Contributions	\$ 988,707	\$ 425,158	\$ 1,413,865
In-kind contributions	111,395	-	111,395
United Way	224,307	-	224,307
Membership fees	56,091	-	56,091
Investment income	76,398	-	76,398
Special events	225,020	-	225,020
Less direct benefit to donors	(63,150)	-	(63,150)
Net assets released from restriction	<u>433,656</u>	<u>(433,656)</u>	<u>-</u>
Total revenues and other support	<u>2,052,424</u>	<u>(8,498)</u>	<u>2,043,926</u>
Functional expenses			
Program services	1,372,205	-	1,372,205
Management and general	156,131	-	156,131
Fundraising	<u>307,270</u>	<u>-</u>	<u>307,270</u>
Total functional expenses	<u>1,835,606</u>	<u>-</u>	<u>1,835,606</u>
Change in net assets	216,818	(8,498)	208,320
Net assets, beginning of year	<u>2,023,990</u>	<u>460,765</u>	<u>2,484,755</u>
Net assets, end of year	<u>\$ 2,240,808</u>	<u>\$ 452,267</u>	<u>\$ 2,693,075</u>

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

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statement of Activities
For the Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and other support			
Government grants	\$ 84,428	\$ -	\$ 84,428
Contributions	396,305	461,659	857,964
In-kind contributions	55,035	-	55,035
United Way	235,906	-	235,906
Membership fees	68,305	-	68,305
Investment income	167,283	-	167,283
Special events	286,222	-	286,222
Less direct benefit to donors	(62,449)	-	(62,449)
Net assets released from restriction	<u>446,946</u>	<u>(446,946)</u>	<u>-</u>
Total revenues and other support	<u>1,677,981</u>	<u>14,713</u>	<u>1,692,694</u>
Functional expenses			
Program services	1,837,201	-	1,837,201
Management and general	99,608	-	99,608
Fundraising	<u>361,210</u>	<u>-</u>	<u>361,210</u>
Total functional expenses	<u>2,298,019</u>	<u>-</u>	<u>2,298,019</u>
Change in net assets from operations	(620,038)	14,713	(605,325)
Loss on disposal of assets	<u>326,003</u>	<u>-</u>	<u>326,003</u>
Change in net assets	(946,041)	14,713	(931,328)
Net assets, beginning of year	<u>2,970,031</u>	<u>446,052</u>	<u>3,416,083</u>
Net assets, end of year	<u>\$ 2,023,990</u>	<u>\$ 460,765</u>	<u>\$ 2,484,755</u>

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

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses before depreciation				
Personnel expenses				
Salaries and wages	\$ 699,238	\$ 43,134	\$ 149,146	\$ 891,518
Payroll taxes and employee benefits	<u>172,707</u>	<u>7,008</u>	<u>23,925</u>	<u>203,640</u>
Total personnel expenses	871,945	50,142	173,071	1,095,158
Professional fees	53,953	66,813	60,842	181,608
Supplies	124,625	5,686	6,533	136,844
Telephone and internet services	34,695	5,134	2,567	42,396
Postage	11	610	945	1,566
Occupancy	72,493	3,085	1,542	77,120
Repairs and maintenance	15,915	5,061	2,330	23,306
Outside printing	7,835	2,222	3,881	13,938
Transportation	22,206	1,327	563	24,096
Conferences and meetings	6,007	1,604	148	7,759
Subscriptions and memberships	18,324	284	41,298	59,906
Scholarship awards	3,750	-	-	3,750
Insurance	36,003	4,230	2,118	42,351
Dues to National Girls Inc.	12,000	-	-	12,000
Miscellaneous	<u>-</u>	<u>6,000</u>	<u>9,465</u>	<u>15,465</u>
Total expenses before depreciation	1,279,762	152,198	305,303	1,737,263
Depreciation	<u>92,443</u>	<u>3,933</u>	<u>1,967</u>	<u>98,343</u>
	<u>\$ 1,372,205</u>	<u>\$ 156,131</u>	<u>\$ 307,270</u>	<u>\$ 1,835,606</u>

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

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses before depreciation				
Personnel expenses				
Salaries and wages	\$ 998,456	\$ 48,253	\$ 213,772	\$ 1,260,481
Payroll taxes and employee benefits	<u>194,009</u>	<u>4,385</u>	<u>37,316</u>	<u>235,710</u>
Total personnel expenses	1,192,465	52,638	251,088	1,496,191
Professional fees	147,372	8,389	30,833	186,594
Supplies	88,432	373	1,391	90,196
Telephone and internet services	44,583	15,000	-	59,583
Postage	-	886	1,768	2,654
Occupancy	89,175	2,063	3,515	94,753
Repairs and maintenance	26,703	729	1,797	29,229
Outside printing	3,193	729	9,963	13,885
Transportation	45,081	292	2,410	47,783
Conferences and meetings	8,573	5,766	553	14,892
Subscriptions and memberships	19,664	447	41,031	61,142
Scholarship awards	6,875	-	-	6,875
Insurance	35,935	6,166	3,202	45,303
Dues to National Girls Inc.	12,000	-	-	12,000
Miscellaneous	<u>-</u>	<u>3,420</u>	<u>9,041</u>	<u>12,461</u>
Total expenses before depreciation	1,720,051	96,898	356,592	2,173,541
Depreciation	<u>117,150</u>	<u>2,710</u>	<u>4,618</u>	<u>124,478</u>
	<u>\$ 1,837,201</u>	<u>\$ 99,608</u>	<u>\$ 361,210</u>	<u>\$ 2,298,019</u>

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

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ 208,320	\$ (931,328)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	98,343	124,478
Realized and unrealized investment gains	(4,996)	(167,283)
Gain on sale of assets	-	326,003
Changes in operating assets and liabilities		
Accounts and pledges receivable	(59,072)	145,165
Prepaid expenses	(13,226)	10,052
Accounts payable and accrued liabilities	61,079	(48,786)
Net cash provided by (used in) operating activities	290,448	(541,699)
Cash flows from investing activities		
Proceeds from sale on investments	252,831	453,676
Purchases of investments	(107,067)	-
Purchases of property and equipment	(136,471)	(2,687)
Net cash provided by investing activities	9,293	450,989
Net increase (decrease) in cash and cash equivalents	299,741	(90,710)
Cash and cash equivalents, beginning of year	539,773	630,483
Cash and cash equivalents, end of year	\$ 839,514	\$ 539,773

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

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Notes to Consolidated Financial Statements
June 30, 2018 and 2017

1. NATURE OF OPERATIONS

Girls Incorporated of Metropolitan Dallas ("GIMD") is a nonprofit organization chartered by the state of Texas in 1968. The mission of GIMD is to inspire all girls to be strong, smart and bold. Their vision is a world in which every girl values her whole self, discovers her inherent strengths, achieves her goals, and enjoys lasting success. Through afterschool, summer, and partner-based programs, GIMD provides girls with life-changing experiences and solutions to the unique social, economic, and gender barriers they face. GIMD's nationally recognized, proven research-based curricula and outcomes-based model, known as The Girls Inc. Experience, provides girls with life-changing experiences designed to prepare them for postsecondary success and 21st century careers. GIMD focuses their efforts on girls who can benefit the most from the comprehensive Girls Inc. Experience: girls in low-income, under resourced communities. In doing so, they equip girls with the knowledge, skills, and confidence to improve their lives and break the cycle of poverty.

Girls Inc. Foundation (the "Foundation") is a nonprofit organization chartered by the state of Texas in 2004. The Foundation is organized and operated to raise funds to support Girls Inc. The board of directors of GIMD appoints the board of directors of the Foundation.

GIMD and the Foundation are collectively referred to herein as the Organization. The Organization is supported primarily by contributions and grants from individuals, corporations, other nonprofit organizations and government agencies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Organization conform to U.S. generally accepted accounting principles ("US GAAP") as applicable to voluntary health and welfare organizations. The more significant accounting policies of the Organization are described below.

Basis of presentation and consolidation

The accompanying consolidated financials include the accounts of Girls Inc. and the Foundation (collectively, "Girls Inc." or the "Organization") and have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany transactions and balances have been eliminated in consolidation.

Not-for-profit organizations are required to report information regarding their financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Unrestricted net assets* - Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Notes to Consolidated Financial Statements
June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation and consolidation (continued)

- *Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that will never lapse thus requiring the funds to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. The Organization did not have any permanently restricted net assets as of June 30, 2018 or 2017.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization chooses to show restricted contributions whose restrictions are met in the same reporting period as unrestricted contributions.

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial instruments and credit risk concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash and cash equivalents, accounts and pledges receivable and investments in marketable securities. Cash and cash equivalents are placed with high credit quality financial institutions to minimize risk. Accounts and pledges receivable are unsecured and are due from various donors, government agencies, or granting organizations. The Organization continually evaluates the collectability of accounts and pledges receivable and maintains allowances for potential losses, if considered necessary. Marketable securities are subject to various risks, such as interest rate, credit and overall market volatility risks. The Organization maintains cash balances at various financial institutions located in Texas. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2018 and 2017, the Organization's uninsured balances totaled \$235,341 and \$58,495, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with a maturity of three months or less when purchased. Cash and cash equivalents designated for the purchase of long-term assets or received with donor-imposed restrictions limiting their use to long-term assets are not considered cash equivalents.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Notes to Consolidated Financial Statements
June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

At June 30, 2018 and 2017, the Organization's investments in marketable securities consist of mutual funds that are stated at fair value in the consolidated statement of financial position. Interest, dividends and realized and unrealized gains and losses are reported in the consolidated statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Fair value measurements

Under the Fair Value Measurements and Disclosures topic of the GAAP, Accounting Standards Codification 820 Fair Value Measurement, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

- *Level 1* - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;
- *Level 2* - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies;
- *Level 3* - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Property and equipment

Property and equipment purchased by the Organization is recorded at cost or if acquired by gift, fair market value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$2,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is calculated using the straight-line method based over the estimated useful lives of the assets which range from five to thirty years.

Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount, or estimated fair value, less costs to sell. There were no impairment changes recorded during the year ended June 30, 2018 or 2017.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Notes to Consolidated Financial Statements
June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Government grant revenue is recognized as contract terms are fulfilled. Cost reimbursement contracts are recognized as revenue when the allowable costs are incurred. Fees for contract services are recognized as revenue when the contracted services are performed.

Donated materials and program supplies are reflected as contributions at their estimated fair values at date of receipt. The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Grants and contracts

The Organization receives grants and contracts from federal agencies (as a subrecipient), as well as private organizations, to be used for specific programs. For government grants and contracts, the excess of reimbursable expenditures over cash receipts is included in accounts receivable.

The Organization's costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the consolidated financial position or changes in net assets of the Organization.

Allocation of functional expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statement of activities and in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the various functions.

Federal income taxes

Girls Inc. and the Foundation are recognized by the Internal Revenue Service as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (IRC) and are not private foundations as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization did not have a material unrelated business income tax liability as of June 30, 2018 or 2017. Therefore, no tax provision or liability has been reported in the accompanying consolidated financial statements. The Organization had no significant uncertain tax positions for the year ended June 30, 2018 or 2017.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Notes to Consolidated Financial Statements
June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Federal income taxes (continued)

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax returns and recognition of tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2018 and 2017, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements.

Reclassifications

Certain reclassifications have been made to the prior period reported amounts to conform to current year presentation.

Subsequent events

The Organization evaluated subsequent events after the consolidated statement of financial position date of June 30, 2018 through August 28, 2018, which was the date the consolidated financial statements were available to be issued.

3. INVESTMENTS

Investments consist of the following:

	2018	2017
Equity mutual funds	\$ 915,692	\$ 1,056,460

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2018:

	Level 1	Level 2	Level 3	Fair Value
Equity mutual funds	\$ 915,692	\$ -	\$ -	\$ 915,692

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2017:

	Level 1	Level 2	Level 3	Fair Value
Equity mutual funds	\$ 1,056,460	\$ -	\$ -	\$ 1,056,460

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Notes to Consolidated Financial Statements
June 30, 2018 and 2017

4. ACCOUNTS AND PLEDGES RECEIVABLE

Accounts and pledges receivable consist of the following:

	2018	2017
Receivable in less than one year	\$ 145,045	\$ 95,973
Receivable in one to five years	35,000	25,000
	\$ 180,045	\$ 120,973

Approximately 70% and 48% of the above pledges are due from four and two organizations or individuals for the years ended June 30, 2018 or 2017, respectively.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2018	2017
Building	\$ 1,389,858	\$ 1,389,858
Furniture, fixtures and equipment	301,170	727,632
Automobiles	296,725	252,077
Land	126,019	126,019
	2,113,772	2,495,586
Less accumulated depreciation	(1,305,054)	(1,724,996)
	\$ 808,718	\$ 770,590

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	2018	2017
Scholarships	\$ 162,935	\$ 166,685
Programs	216,147	178,304
Time restricted	73,185	115,776
	\$ 452,267	\$ 460,765

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Notes to Consolidated Financial Statements
June 30, 2018 and 2017

6. TEMPORARILY RESTRICTED NET ASSETS (continued)

Temporarily restricted net assets released from restriction during the year were as follows:

	2018	2017
Scholarships	\$ 3,750	\$ 6,875
Programs	271,693	204,984
Time restricted	158,213	235,087
	\$ 433,656	\$ 446,946

7. IN-KIND CONTRIBUTIONS

The Organization received donations of various supplies and services during the year ended June 30, 2018 and 2017. Donated services are recognized from professors related to summer camps held at local colleges and universities. The estimated fair market value of these donations totaled \$111,395 and \$55,035, respectively, and is reflected in the accompanying consolidated statement of activities as in-kind contributions and included in supplies expense.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. No amounts have been reflected for these types of donated services, as they do not meet the criteria for recognition.

8. EMPLOYEE BENEFIT PLAN

The Organization established a tax deferred annuity retirement plan 403(b) effective January 1, 1993. Each participant may elect to contribute a percentage of their annual compensation as limited by the IRC. The Organization may make a contribution each year as determined by the board of directors upon approval of the annual budget. The Organization contributes an employer matching contribution to the plan equal to 100% of each participant's elective contribution up to 5% of base salary. Employer contributions to the plan for the year ended June 30, 2018 and 2017 totaled \$4,300 and \$20,471, respectively.

9. SCHOLARSHIPS

The Organization provides scholarships to individuals who meet certain defined criteria. Scholarships are awarded in amounts up to a maximum of \$2,500 per year and may cover multiple years. To retain their scholarship, the individual must reapply each year and meet certain established requirements such as maintaining a minimum grade point average. A scholarship fund has been established to cover the expense of the scholarships. The balance of this fund at June 30, 2018 and 2017 was \$162,935 and \$166,685, respectively. No liability has been recorded for future scholarships as the payment is contingent on meeting the required criteria. The Organization estimates that the commitments for future scholarships (based on the current recipients) to be \$3,750 per year for the next three years.

SUPPLEMENTARY INFORMATION

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statement of Financial Position
June 30, 2018

	GIMD			Eliminations	Consolidated	
	Foundation	Unrestricted	Restricted			Total GIMD
ASSETS						
Cash and cash equivalents	\$ 207,109	\$ 253,322	\$ 379,083	\$ 632,405	\$ -	\$ 839,514
Investments, at fair value	915,692	-	-	-	-	915,692
Accounts and pledge receivables, net	-	106,861	73,184	180,045	-	180,045
Intercompany accounts receivable	-	12,195	-	12,195	(12,195)	-
Prepaid expenses	-	46,683	-	46,683	-	46,683
Property and equipment, net	-	808,718	-	808,718	-	808,718
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,122,801</u>	<u>\$ 1,227,779</u>	<u>\$ 452,267</u>	<u>\$ 1,680,046</u>	<u>\$ (12,195)</u>	<u>\$ 2,790,652</u>
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ 97,577	\$ -	\$ 97,577	\$ -	\$ 97,577
Intercompany accounts payable	<u>12,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,195)</u>	<u>-</u>
Total liabilities	12,195	97,577	-	97,577	(12,195)	97,577
Net assets						
Net assets	<u>1,110,606</u>	<u>1,130,202</u>	<u>452,267</u>	<u>1,582,469</u>	<u>-</u>	<u>2,693,075</u>
Total liabilities and net assets	<u>\$ 1,122,801</u>	<u>\$ 1,227,779</u>	<u>\$ 452,267</u>	<u>\$ 1,680,046</u>	<u>\$ (12,195)</u>	<u>\$ 2,790,652</u>

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statement of Financial Position
June 30, 2017

	GIMD			Eliminations	Consolidated	
	Foundation	Unrestricted	Restricted			Total GIMD
ASSETS						
Cash and cash equivalents	\$ 11,278	\$ 183,506	\$ 344,989	\$ 528,495	\$ -	\$ 539,773
Investments, at fair value	1,056,460	-	-	-	-	1,056,460
Accounts and pledge receivables, net	-	5,197	115,776	120,973	-	120,973
Intercompany accounts receivable	-	12,195	-	12,195	(12,195)	-
Prepaid expenses	-	33,457	-	33,457	-	33,457
Property and equipment, net	-	770,590	-	770,590	-	770,590
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,067,738</u>	<u>\$ 1,004,945</u>	<u>\$ 460,765</u>	<u>\$ 1,465,710</u>	<u>\$ (12,195)</u>	<u>\$ 2,521,253</u>
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ 36,498	\$ -	\$ 36,498	\$ -	\$ 36,498
Intercompany accounts payable	12,195	-	-	-	(12,195)	-
Total liabilities	12,195	36,498	-	36,498	(12,195)	36,498
Net assets						
Net assets	<u>1,055,543</u>	<u>968,447</u>	<u>460,765</u>	<u>1,429,212</u>	<u>-</u>	<u>2,484,755</u>
Total liabilities and net assets	<u>\$ 1,067,738</u>	<u>\$ 1,004,945</u>	<u>\$ 460,765</u>	<u>\$ 1,465,710</u>	<u>\$ (12,195)</u>	<u>\$ 2,521,253</u>

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statement of Activities
For the Year Ended June 30, 2018

	GIMD			Eliminations	Consolidated	
	Foundation	Unrestricted	Restricted			Total GIMD
Revenues and other support						
Contributions	\$ -	\$ 988,707	\$ 425,158	\$ 1,413,865	\$ -	\$ 1,413,865
In-kind contributions	-	111,395	-	111,395	-	111,395
United Way	-	224,307	-	224,307	-	224,307
Membership fees	-	56,091	-	56,091	-	56,091
Investment income	74,541	1,857	-	1,857	-	76,398
Special events	-	225,020	-	225,020	-	225,020
Less direct benefit to donors	-	(63,150)	-	(63,150)	-	(63,150)
Contributions from Girls Inc. Foundation	-	19,478	-	19,478	(19,478)	-
Net assets released from restriction	-	433,656	(433,656)	-	-	-
Total revenues and other support	<u>74,541</u>	<u>1,997,361</u>	<u>(8,498)</u>	<u>1,988,863</u>	<u>(19,478)</u>	<u>2,043,926</u>
Functional expenses						
Program services	19,478	1,372,205	-	1,372,205	(19,478)	1,372,205
Management and general	-	156,131	-	156,131	-	156,131
Fundraising	-	307,270	-	307,270	-	307,270
Total functional expenses	<u>19,478</u>	<u>1,835,606</u>	<u>-</u>	<u>1,835,606</u>	<u>(19,478)</u>	<u>1,835,606</u>
Change in net assets	55,063	161,755	(8,498)	153,257	-	208,320
Net assets, beginning of year	<u>1,055,543</u>	<u>968,447</u>	<u>460,765</u>	<u>1,429,212</u>	<u>-</u>	<u>2,484,755</u>
Net assets, end of year	<u>\$ 1,110,606</u>	<u>\$ 1,130,202</u>	<u>\$ 452,267</u>	<u>\$ 1,582,469</u>	<u>\$ -</u>	<u>\$ 2,693,075</u>

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statement of Activities
For the Year Ended June 30, 2017

	GIMD			Eliminations	Consolidated	
	Foundation	Unrestricted	Restricted			Total GIMD
Revenues and other support						
Government grants	\$ -	\$ 84,428	\$ -	\$ 84,428	\$ -	\$ 84,428
Contributions	-	396,305	461,659	857,964	-	857,964
In-kind contributions	-	55,035	-	55,035	-	55,035
United Way	-	235,906	-	235,906	-	235,906
Membership fees	-	68,305	-	68,305	-	68,305
Investment income	166,999	284	-	284	-	167,283
Special events	-	286,222	-	286,222	-	286,222
Less direct benefit to donors	-	(62,449)	-	(62,449)	-	(62,449)
Contributions from Girls Inc. Foundation	-	643,000	-	643,000	(643,000)	-
Net assets released from restriction	-	446,946	(446,946)	-	-	-
Total revenues and other support	<u>166,999</u>	<u>2,153,982</u>	<u>14,713</u>	<u>2,168,695</u>	<u>(643,000)</u>	<u>1,692,694</u>
Functional expenses						
Program services	643,000	1,837,201	-	1,837,201	(643,000)	1,837,201
Management and general	-	99,608	-	99,608	-	99,608
Fundraising	1,500	359,710	-	359,710	-	361,210
Total functional expenses	<u>644,500</u>	<u>2,296,519</u>	<u>-</u>	<u>2,296,519</u>	<u>(643,000)</u>	<u>2,298,019</u>
Change in net assets from operations	(477,501)	(142,537)	14,713	(127,824)	-	(605,325)
Loss on disposal of asset	-	326,003	-	326,003	-	326,003
Change in net assets	(477,501)	(468,540)	14,713	(453,827)	-	(931,328)
Net assets, beginning of year	<u>1,533,044</u>	<u>1,436,987</u>	<u>446,052</u>	<u>1,883,039</u>	<u>-</u>	<u>3,416,083</u>
Net assets, end of year	<u>\$ 1,055,543</u>	<u>\$ 968,447</u>	<u>\$ 460,765</u>	<u>\$ 1,429,212</u>	<u>\$ -</u>	<u>\$ 2,484,755</u>

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2018

	GIMD				Eliminating	Total
	Foundation	Program Services	Management and General	Fundraising		
Expenses before depreciation						
Personnel expenses						
Salaries and wages	\$ -	\$ 699,238	\$ 43,134	\$ 149,146	\$ -	\$ 891,518
Payroll taxes and employee benefits	-	172,707	7,008	23,925	-	203,640
Total personnel expenses	-	871,945	50,142	173,071	-	1,095,158
Professional fees	-	53,953	66,813	60,842	-	181,608
Supplies	-	124,625	5,686	6,533	-	136,844
Telephone and internet services	-	34,695	5,134	2,567	-	42,396
Postage	-	11	610	945	-	1,566
Occupancy	-	72,493	3,085	1,542	-	77,120
Repairs and maintenance	-	15,915	5,061	2,330	-	23,306
Outside printing	-	7,835	2,222	3,881	-	13,938
Transportation	-	22,206	1,327	563	-	24,096
Conferences and meetings	-	6,007	1,604	148	-	7,759
Subscriptions and memberships	-	18,324	284	41,298	-	59,906
Scholarship awards	-	3,750	-	-	-	3,750
Insurance	-	36,003	4,230	2,118	-	42,351
Dues to National Girls Inc.	-	12,000	-	-	-	12,000
Miscellaneous	19,478	-	6,000	9,465	(19,478)	15,465
Total expenses before depreciation	19,478	1,279,762	152,198	305,303	(19,478)	1,737,263
Depreciation	-	92,443	3,933	1,967	-	98,343
	<u>\$ 19,478</u>	<u>\$ 1,372,205</u>	<u>\$ 156,131</u>	<u>\$ 307,270</u>	<u>\$ (19,478)</u>	<u>\$ 1,835,606</u>

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2017

	GIMD					Total
	Foundation	Program Services	Management and General	Fundraising	Eliminating	
Expenses before depreciation						
Personnel expenses						
Salaries and wages	\$ -	\$ 998,456	\$ 48,253	\$ 213,772	\$ -	\$ 1,260,481
Payroll taxes and employee benefits	-	194,009	4,385	37,316	-	235,710
Total personnel expenses	-	1,192,465	52,638	251,088	-	1,496,191
Professional fees	-	147,372	8,389	30,833	-	186,594
Supplies	-	88,432	373	1,391	-	90,196
Telephone and internet services	-	44,583	15,000	-	-	59,583
Postage	-	-	886	1,768	-	2,654
Occupancy	-	89,175	2,063	3,515	-	94,753
Repairs and maintenance	-	26,703	729	1,797	-	29,229
Outside printing	-	3,193	729	9,963	-	13,885
Transportation	-	45,081	292	2,410	-	47,783
Conferences and meetings	-	8,573	5,766	553	-	14,892
Subscriptions and memberships	-	19,664	447	41,031	-	61,142
Scholarship awards	-	6,875	-	-	-	6,875
Insurance	-	35,935	6,166	3,202	-	45,303
Dues to National Girls Inc.	-	12,000	-	-	-	12,000
Miscellaneous	-	-	3,420	9,041	-	12,461
Total expenses before depreciation	-	1,720,051	96,898	356,592	-	2,173,541
Depreciation	-	117,150	2,710	4,618	-	124,478
	<u>\$ -</u>	<u>\$ 1,837,201</u>	<u>\$ 99,608</u>	<u>\$ 361,210</u>	<u>\$ -</u>	<u>\$ 2,298,019</u>