



of Metropolitan Dallas

Inspiring all girls to be strong, smart, and bold

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Dallas, Texas 75235

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girlsincdallas.org

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Dear Reader:

We are pleased to share our fiscal year 2022 consolidated audit. Throughout the fiscal year, we continued to adjust our programs and operations due to the prolonged challenges of the global pandemic. Program delivery continued to face hindrances due to social distancing requirements, and schools limited our in-person access early in the school year. Despite these obstacles, we grew the number of girls served by nearly 40%, serving 2,962 girls during the fiscal year.

Direct program expenses increased year-over-year, as did program support services which are vital to operating programs but are categorized as management and general according to the functional allocation standards. Examples of vital support to operate programs which cannot be allocated toward direct program expenses include marketing for program enrollment, outcomes evaluation, human resources, accounting, and IT that support the program teams.

The Girls Inc. Foundation Board of Directors and the Girls Inc. of Metropolitan Dallas Board of Directors have made the decision to invest in the capacity and resources needed in administration and fundraising that will lead to sustained growth, impact, and achievement of our bold goal of serving 25,000 girls annually by 2030.

As you review the audited financials, please keep in mind that there are other key companion pieces about the organization which are not part of the audit and help provide the full picture of the organization’s leadership, operations, and program impact.

Sincerely,

Elizabeth F. Myers
Chief Executive Officer

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Consolidated Financial Report
June 30, 2022

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Independent Auditor's Report

RSM US LLP

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

Report on the Audit of the Financial Statements

Opinion

We have audited the 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, 2022 and 2021, 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 (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the Cover Letter but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Dallas, Texas
November 14, 2022

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 2,427,288	\$ 2,483,754
Investments, at fair value	1,010,845	992,889
Contributions and other receivables	140,149	190,837
Prepaid expenses	16,404	10,233
Property and equipment, net	899,805	882,874
Total assets	\$ 4,494,491	\$ 4,560,587
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 215,066	\$ 236,861
Total liabilities	215,066	236,861
Net assets:		
Without donor restrictions	3,862,434	3,824,049
With donor restrictions	416,991	499,677
Total net assets	4,279,425	4,323,726
Total liabilities and net assets	\$ 4,494,491	\$ 4,560,587

See notes to consolidated financial statements.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

**Consolidated Statements of Activities
For the Years Ended June 30, 2022 and 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:						
Contributions	\$ 1,528,660	\$ 254,679	\$ 1,783,339	\$ 1,620,546	\$ 243,870	\$ 1,864,416
In-kind contributions	31,529	-	31,529	40,079	-	40,079
United Way contributions	174,963	-	174,963	188,054	-	188,054
Special events	289,198	-	289,198	180,000	-	180,000
Membership fees	34,440	-	34,440	21,452	-	21,452
Investment (losses) returns	(66,134)	-	(66,134)	178,731	-	178,731
Gain on sale of property	-	-	-	699,685	-	699,685
Gain on loan forgiveness	-	-	-	234,700	-	234,700
Gain on insurance proceeds, net of casualty loss of \$31,638	-	-	-	284,889	-	284,889
Other Income	5,964	-	5,964	-	-	-
Net assets released from restriction	337,365	(337,365)	-	177,298	(177,298)	-
Total revenues and other support	2,335,985	(82,686)	2,253,299	3,625,434	66,572	3,692,006
Functional expenses:						
Program services:						
Afterschool, summer and spring break	506,242	-	506,242	652,792	-	652,792
Eureka! STEM	117,730	-	117,730	140,848	-	140,848
Partner-based	725,369	-	725,369	414,681	-	414,681
Total program services	1,349,341	-	1,349,341	1,208,321	-	1,208,321
Management and general	476,774	-	476,774	387,322	-	387,322
Fundraising	471,485	-	471,485	335,109	-	335,109
Total functional expenses	2,297,600	-	2,297,600	1,930,752	-	1,930,752
Change in net assets	38,385	(82,686)	(44,301)	1,694,682	66,572	1,761,254
Net assets, beginning of year	3,824,049	499,677	4,323,726	2,129,367	433,105	2,562,472
Net assets, end of year	\$ 3,862,434	\$ 416,991	\$ 4,279,425	\$ 3,824,049	\$ 499,677	\$ 4,323,726

See notes to consolidated financial statements.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2022

	Afterschool, Summer and Spring Break	Eureka! STEM	Partner-based	Total Program Services	Management and General	Fundraising	Total
Expenses before depreciation:							
Salaries and wages	\$ 206,475	\$ 53,947	\$ 445,029	\$ 705,451	\$ 248,800	\$ 366,483	\$ 1,320,734
Payroll taxes and benefits	56,320	13,936	110,639	180,895	72,881	51,222	304,998
Professional fees	24,273	7,141	28,195	59,609	142,104	5,293	207,006
Supplies	36,939	4,503	11,923	53,365	1,255	1,100	55,720
Telephone and internet	11,237	751	4,676	16,664	75	75	16,814
Occupancy	42,709	6,906	29,595	79,210	1,063	717	80,990
Repairs and maintenance	24,410	790	3,625	28,825	1,010	556	30,391
Information technology	13,305	2,275	4,061	19,641	2,500	1,613	23,754
Printing	3,666	864	3,091	7,621	1,502	6,523	15,646
Transportation	1,491	90	1,496	3,077	175	165	3,417
Conferences and meetings	1,947	347	47,163	49,457	1,009	495	50,961
Program events	4,535	11,576	315	16,426	-	-	16,426
Insurance	26,031	765	3,156	29,952	118	90	30,160
Dues to National Girls Inc.	4,500	3,750	3,750	12,000	-	-	12,000
Special events	-	-	85	85	-	33,652	33,737
Other expenses	4,019	4,066	8,092	16,177	1,873	2,296	20,346
Total expenses before depreciation	461,857	111,707	704,891	1,278,455	474,365	470,280	2,223,100
Depreciation	44,385	6,023	20,478	70,886	2,409	1,205	74,500
	\$ 506,242	\$ 117,730	\$ 725,369	\$ 1,349,341	\$ 476,774	\$ 471,485	\$ 2,297,600

See notes to consolidated financial statements.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

**Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2021**

	Afterschool, Summer and Spring Break	Eureka! STEM	Partner-based	Total Program Services	Management and General	Fundraising	Total
Expenses before depreciation:							
Salaries and wages	\$ 332,005	\$ 84,066	\$ 224,577	\$ 640,648	\$ 188,514	\$ 231,060	\$ 1,060,222
Payroll taxes and benefits	73,183	18,178	69,865	161,226	61,396	69,623	292,245
Professional fees	1,758	464	603	2,825	105,756	1,527	110,108
Supplies	42,475	6,378	18,521	67,374	1,703	320	69,397
Telephone and internet	11,048	1,139	2,113	14,300	308	203	14,811
Occupancy	48,444	9,775	21,382	79,601	3,095	1,786	84,482
Repairs and maintenance	27,893	2,826	4,690	35,409	874	590	36,873
Information technology	32,367	6,641	26,679	65,687	8,402	9,669	83,758
Printing	6,045	344	3,311	9,700	1,327	3,236	14,263
Transportation	176	63	952	1,191	781	72	2,044
Conferences and meetings	940	283	558	1,781	660	135	2,576
Program events	21,667	319	14,051	36,037	-	1,000	37,037
Insurance	17,379	1,126	3,606	22,111	429	215	22,755
Dues to National Girls Inc.	6,000	3,000	3,000	12,000	-	-	12,000
Other expenses	1,298	223	295	1,816	11,668	14,468	27,952
Total expenses before depreciation	622,678	134,825	394,203	1,151,706	384,913	333,904	1,870,523
Depreciation	30,114	6,023	20,478	56,615	2,409	1,205	60,229
	\$ 652,792	\$ 140,848	\$ 414,681	\$ 1,208,321	\$ 387,322	\$ 335,109	\$ 1,930,752

See notes to consolidated financial statements.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

**Consolidated Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021**

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (44,301)	\$ 1,761,254
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	74,500	60,229
Realized and unrealized investment losses (gains)	72,696	(155,871)
Gain on sale of property held for sale	-	(699,685)
Gain on insurance proceeds, net of casualty loss	-	(284,889)
Gain on forgiveness of note payable	-	(234,700)
Changes in operating assets and liabilities:		
Contributions and other receivables	50,688	76,843
Prepaid expenses	(6,171)	8,682
Accounts payable and accrued liabilities	(21,795)	35,197
Net cash provided by operating activities	125,617	567,060
Cash flows from investing activities:		
Insurance proceeds from storm damage	-	316,527
Proceeds from sale of investments	2,348	159,440
Purchases of investments	(93,000)	(245,000)
Proceeds from sale of property	-	862,168
Purchases of property and equipment	(91,431)	(343,133)
Net cash (used in) provided by investing activities	(182,083)	750,002
Net (decrease) increase in cash and cash equivalents	(56,466)	1,317,062
Cash and cash equivalents:		
Beginning of year	2,483,754	1,166,692
End of year	\$ 2,427,288	\$ 2,483,754
Supplemental disclosure of noncash investing and financing activities:		
Forgiveness of note payable	\$ -	\$ 234,700

See notes to consolidated financial statements.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Notes to Consolidated Financial Statements

Note 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. GIMD's vision is a world in which every girl values her whole self, discovers her inherent strengths, achieves her goals and enjoys lasting success. GIMD provides girls from primarily low-income households with life-changing experiences and solutions to the unique social, economic and gender barriers they face so they can grow into healthy, educated and independent young women. Service delivery modes of programming include:

Afterschool, summer and spring break programs: GIMD's nationally recognized, proven research-based curricula and outcomes-based model, known as The Girls Inc. Experience, that provides girls ages six to 18 with life-changing experiences. In a girls-only and pro-girl environment, intentional and compensatory programming focused on healthy living, academic enrichment and support and life skills instruction is delivered daily afterschool, summer and spring break. All programs are delivered by trained professionals designed to prepare girls for postsecondary success and 21st century careers.

Eureka! STEM programs (Eureka!): Eureka! is an intensive, five-year, cohort-based STEM-based program that builds girls' confidence and skills through hands-on opportunities in science, technology, engineering and math. Utilizing a whole girl approach, the program also includes sports and physical fitness, personal development and college and career readiness. In addition to the four-week summer component, during the school year there are monthly events, activities and field trips.

Partner-based programs: In addition to programming delivery onsite at GIMD locations, partner-based programming offers interesting and relevant programs through partner-based locations, such as at schools and community centers that help girls with the challenges they face while growing up. Age-appropriate programs can take place both during school and after-school. All GIMD programming is delivered by trained GIMD staff.

GIMD focuses its 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.

Principles of consolidation: All significant inter-organizational transactions have been eliminated in the accompanying consolidated financial statements. The consolidated financial statements include the financial statements of GIMD and the Girls Inc. Foundation (the 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 GIMD. 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.

Note 2. Summary of Significant Accounting Policies

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

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Net assets and changes therein are classified as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that are restricted by the donor for specific purposes, time restrictions or restricted in perpetuity. There are no net assets restricted in perpetuity as of June 30, 2022 or 2021.

Revenues are reported as increases in net asset without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Expirations of net assets with donor restrictions based on the donor-stipulated purpose being fulfilled and/or the stipulated time period elapsing, are reported as a release of restrictions and reclassified between the applicable classes of net assets. Restricted contributions whose restrictions are met in the same reporting period the contribution is made are shown as contributions without donor restrictions.

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.

Investments: At June 30, 2022 or 2021, the Organization's investments consist of mutual funds that are stated at fair value in the accompanying consolidated statements of financial position. Interest, dividends and realized and unrealized gains and losses are reported within investment returns in the accompanying consolidated statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations.

Fair value measurements: The Organization applies the U.S. GAAP authoritative guidance for fair value measurements and disclosures, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. U.S. GAAP describes three levels of inputs that may be used to measure fair value:

- Level 1:** Quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2:** Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets and liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data.
- Level 3:** Unobservable inputs that are supported by little or no market activity, are significant to the fair value of the assets or liabilities and reflect management's assumptions and best estimates based on available data.

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes the valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Property and equipment, net: 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 capitalizes all expenditures for property and equipment in excess of \$2,000.

Depreciation and amortization of property and equipment is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	5-45
Furniture, fixtures and equipment	5-20
Automobiles	5-15

Management evaluates its long-lived assets for 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. There were no impairment charges recorded during the years ended June 30, 2022 or 2021.

Exchange revenue: The Organization recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers, which applies to all exchange transactions and provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract
- Identify performance obligations
- Determine the transaction price
- Allocate the transaction price to the performance obligation
- Recognize revenue

Types of revenue transactions, other than contributions and investment returns, recognized by the Organization include membership fees and special events. The Organization recognizes membership fee income over the period of time services are rendered. Revenues from special events are recognized when the events are held.

Contributions and contributions receivable: The Organization recognizes contributions when they are received or unconditionally pledged and records these amounts as net assets without donor restrictions or net assets with donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. Management deemed no allowance necessary at June 30, 2022 or 2021.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Conditional promises to give are not included in contributions or contributions receivable until such time as the conditions are substantially met. Additionally, as of June 30, 2022 or 2021, the Organization has approximately \$2,500 and \$10,750, respectively, in conditional receivables which are not recorded within the accompanying consolidated financial statements. These contributions were conditioned on meeting defined objectives within a specific time frame.

In-kind contributions: 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.

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.

Functional expenses: The Organization's operating costs have been summarized on a functional basis in the accompanying consolidated statements of activities and statements of functional expenses. Costs are summarized into program services and supporting services. FASB accounting standards define some support services as management and general expenses, yet they are vital to running client programs and support the greatest overall impact within the community. Examples of vital support to operate programs that cannot be allocated toward direct program expenses includes marketing for program enrollment, outcomes evaluation, human resources, accounting and IT. Supporting services also include the cost of fundraising and fundraising events that are held for the purpose of supporting the Organization's budget and long-term growth of clients served. The consolidated statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include depreciation, which is based on an assessment of square-footage conducted by management, as well as salaries and wages and payroll taxes and benefits, which are allocated on the basis of management's estimates of time and effort.

Federal income taxes: GIMD 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 an unrelated business income tax liability as of June 30, 2022 or 2021. Therefore, no tax provision or liability has been reported in the accompanying consolidated financial statements.

U.S. 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, 2022 or 2021, 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.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. 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.

New accounting pronouncement: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Organization is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

Subsequent events: The Organization evaluated its consolidated financial statements for subsequent events through November 14, 2022, the date the consolidated financial statements were available to be issued. The Organization is not aware of any subsequent events which require recognition or disclosure in the financial statements.

Note 3. Concentrations, Credit Risks and Uncertainties

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash and cash equivalents, contributions receivable and investments.

Cash and cash equivalents are placed with high credit quality financial institutions to minimize risk. At times cash and cash equivalents may exceed the Federal Deposit Insurance Corporation limits and other insured limits. 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.

Contributions receivable are unsecured and are due from various donors, government agencies or granting organizations. The Organization continually evaluates the collectability of contributions receivable. Approximately 57% and 74% of contributions are due from four and two organizations and individuals for the years ended June 30, 2022 or 2021, respectively.

Investments are subject to various risks, such as interest rate, credit and overall market volatility risks.

Note 4. Liquidity and Funds Available

The Organization monitors its liquidity in order to meet operating needs and other contractual commitments while maintaining sufficient resources to meet donor restrictions placed on contributed financial assets.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Notes to Consolidated Financial Statements

Note 4. Liquidity and Funds Available (Continued)

The following disclosure describes assets that are available or expected to be available within one year of June 30, 2022 and 2021, to fund general expenditures and obligations as they become due:

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 2,427,288	\$ 2,483,754
Investments, at fair value	1,010,845	992,889
Contributions and other receivables	140,149	190,837
	<u>3,578,282</u>	<u>3,667,480</u>
Less amounts unavailable for general expenditure within one year due to:		
Net assets with donor restrictions	416,991	499,677
Less net assets with purpose restrictions to be met in less than a year	(150,000)	(140,000)
	<u>266,991</u>	<u>359,677</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 3,311,291</u>	<u>\$ 3,307,803</u>

Note 5. Investments

Investments consist of the following:

	2022	2021
Equity—mutual funds	\$ 1,010,845	\$ 992,889

All investments are considered Level 1 within the fair value hierarchy.

Note 6. Contributions Receivable

Contributions receivable consist of the following:

	2022	2021
Receivables due in less than one year	\$ 140,149	\$ 190,837

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Notes to Consolidated Financial Statements

Note 7. Property and Equipment

Property and equipment consist of the following:

	2022	2021
Buildings and improvements	\$ 1,345,243	\$ 968,403
Furniture, fixtures and equipment	342,455	289,811
Automobiles	234,297	234,297
Land	56,875	56,875
Construction in progress	-	338,053
	1,978,870	1,887,439
Accumulated depreciation	(1,079,065)	(1,004,565)
	<u>\$ 899,805</u>	<u>\$ 882,874</u>

Depreciation expense was \$74,500 and \$60,229 for the years ended June 30, 2022 and 2021, respectively.

Note 8. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

	2022	2021
Scholarships—Available	\$ 147,312	\$ 162,310
Scholarships—Conditionally Promised	15,000	-
Programs	254,679	146,567
Time restricted	-	190,800
	<u>\$ 416,991</u>	<u>\$ 499,677</u>

Net assets released from donor restrictions during the year were as follows:

	2022	2021
Programs	\$ 146,567	\$ 94,798
Time restricted	190,798	82,500
	<u>\$ 337,365</u>	<u>\$ 177,298</u>

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Notes to Consolidated Financial Statements

Note 9. In-Kind Contributions

The Organization received donations of various supplies and services during the years ended June 30, 2022 and 2021. Donated services are recognized from professors related to summer camps held at local colleges and universities. The estimated fair value of these donations totaled \$31,529 and \$40,079, respectively, as is reflected in the accompanying consolidated statements of activities as in-kind contributions and included within supplies and professional fees on the accompanying consolidated statements of functional expense.

Note 10. 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, in its sole discretion, make a matching contribution in an amount determined by the Board of Directors upon approval of the annual budget. Employer contributions to the plan for the years ended June 30, 2022 and 2021, totaled \$21,015 and \$31,232, respectively.

Note 11. Scholarships

The Organization provides scholarships to individuals who meet certain defined criteria. Scholarships are awarded in amounts up to a maximum of \$15,000. To retain their scholarship, individuals must meet certain established requirements such as current enrollment in an accredited college or university. No liability has been recorded for future scholarships as the payment is contingent on meeting the required criteria. The balance of the scholarship fund at June 30, 2022 and 2021, was \$162,310 and \$162,310, of which \$15,000 and \$0 are reflected as conditionally promised, respectively. The scholarship fund is included within net assets with donor restrictions, as described in Note 8.

Note 12. Related Party Transactions

The Organization is an affiliate of Girls Incorporated (National Girls Inc.). As an affiliate, the Organization must abide by an affiliation agreement that outlines how it is expected to carry out certain activities and pays dues to National Girls Inc. National Girls Inc. has no ownership or voting interest in the Organization. The Organization's payments to National Girls Inc. amounted to \$9,000 and \$12,000 for the years ended June 30, 2022 and 2021, respectively. The Organization also received contributions from Board members totaling approximately \$77,000 and \$53,000 for the years ended June 30, 2022 and 2021, respectively. The Organization also received contributions from National Girls Inc. totaling approximately \$55,000 and \$530,000 for the years ended June 30, 2022 and 2021, respectively.

Supplementary Information

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Consolidating Statement of Financial Position
June 30, 2022

	Foundation		GIMD		Eliminations	Total
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total GMD		
Assets						
Cash and cash equivalents	\$ 749,802	\$ 1,400,644	\$ 276,842	\$ 1,677,486	\$ -	\$ 2,427,288
Investments, at fair value	1,010,845	-	-	-	-	1,010,845
Contributions and other receivables	-	-	140,149	140,149	-	140,149
Intercompany accounts receivables	-	14,705	-	14,705	(14,705)	-
Prepaid expenses	-	16,404	-	16,404	-	16,404
Property and equipment, net	-	899,805	-	899,805	-	899,805
Total assets	\$ 1,760,647	\$ 2,331,558	\$ 416,991	\$ 2,748,549	\$ (14,705)	\$ 4,494,491
Liabilities and Net Assets						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 215,066	\$ -	\$ 215,066	\$ -	\$ 215,066
Intercompany accounts payable	14,705	-	-	-	(14,705)	-
Total liabilities	14,705	215,066	-	215,066	(14,705)	215,066
Net assets	1,745,942	2,116,492	416,991	2,533,483	-	4,279,425
Total liabilities and net assets	\$ 1,760,647	\$ 2,331,558	\$ 416,991	\$ 2,748,549	\$ (14,705)	\$ 4,494,491

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

Consolidating Statement of Activities
For the Year Ended June 30, 2022

	Foundation		GIMD		Eliminations	Total
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total GMD		
Revenues and other support:						
Contributions	\$ -	\$ 1,543,365	\$ 254,679	\$ 1,798,044	\$ (14,705)	\$ 1,783,339
In-kind contributions	-	31,529	-	31,529	-	31,529
United Way contributions	-	174,963	-	174,963	-	174,963
Special events	-	289,198	-	289,198	-	289,198
Membership fees	-	34,440	-	34,440	-	34,440
Investment returns (losses)	(72,563)	6,429	-	6,429	-	(66,134)
Contributions from Girls Inc.						
Foundation/GIMD	688,784	-	-	-	(688,784)	-
Other income	-	5,964	-	5,964	-	5,964
Net assets released from restriction	-	337,365	(337,365)	-	-	-
Total revenues and other support	616,221	2,423,253	(82,686)	2,340,567	(703,489)	2,253,299
Functional expenses:						
Program services:						
Afterschool, summer and spring break	-	506,242	-	506,242	-	506,242
Eureka! STEM	-	117,730	-	117,730	-	117,730
Partner-based	-	725,369	-	725,369	-	725,369
Total program services	-	1,349,341	-	1,349,341	-	1,349,341
Management and general	6,661	1,173,602	-	1,173,602	(703,489)	476,774
Fundraising	-	471,485	-	471,485	-	471,485
Total functional expenses	6,661	2,994,428	-	2,994,428	(703,489)	2,297,600
Change in net assets	609,560	(571,175)	(82,686)	(653,861)	-	(44,301)
Net assets, beginning of year	1,136,382	2,687,667	499,677	3,187,344	-	4,323,726
Net assets, end of year	\$ 1,745,942	\$ 2,116,492	\$ 416,991	\$ 2,533,483	\$ -	\$ 4,279,425

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

**Consolidating Statement of Financial Position
June 30, 2021**

	Foundation		GIMD		Eliminations	Total
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total GMD		
Assets						
Cash and cash equivalents	\$ 151,440	\$ 2,023,474	\$ 308,840	\$ 2,332,314	\$ -	\$ 2,483,754
Investments, at fair value	992,889	-	-	-	-	992,889
Contributions and other receivables	-	-	190,837	190,837	-	190,837
Intercompany accounts receivables	-	7,947	-	7,947	(7,947)	-
Prepaid expenses	-	10,233	-	10,233	-	10,233
Property and equipment, net	-	882,874	-	882,874	-	882,874
Total assets	\$ 1,144,329	\$ 2,924,528	\$ 499,677	\$ 3,424,205	\$ (7,947)	\$ 4,560,587
Liabilities and Net Assets						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 236,861	\$ -	\$ 236,861	\$ -	\$ 236,861
Intercompany accounts payable	7,947	-	-	-	(7,947)	-
Total liabilities	7,947	236,861	-	236,861	(7,947)	236,861
Net assets	1,136,382	2,687,667	499,677	3,187,344	-	4,323,726
Total liabilities and net assets	\$ 1,144,329	\$ 2,924,528	\$ 499,677	\$ 3,424,205	\$ (7,947)	\$ 4,560,587

Girls Incorporated of Metropolitan Dallas and Girls Inc. Foundation

**Consolidating Statement of Activities
For the Year Ended June 30, 2021**

	Foundation		GIMD		Eliminations	Total
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total GMD		
Revenues and other support:						
Contributions	\$ -	\$ 1,620,546	\$ 243,870	\$ 1,864,416	\$ -	\$ 1,864,416
In-kind contributions	-	40,079	-	40,079	-	40,079
United Way contributions	-	188,054	-	188,054	-	188,054
Special events	-	180,000	-	180,000	-	180,000
Membership fees	-	21,452	-	21,452	-	21,452
Investment returns	173,495	5,236	-	5,236	-	178,731
Contributions from Girls Inc.						
Foundation	-	7,947	-	7,947	(7,947)	-
Gain on sale of property	-	699,685	-	699,685	-	699,685
Gain on loan forgiveness	-	234,700	-	234,700	-	234,700
Gain on insurance proceeds, net of casualty loss of \$31,638	-	284,889	-	284,889	-	284,889
Net assets released from restriction	-	177,298	(177,298)	-	-	-
Total revenues and other support	173,495	3,459,886	66,572	3,526,458	(7,947)	3,692,006
Functional expenses:						
Program services:						
Afterschool, summer and spring break	-	652,792	-	652,792	-	652,792
Eureka! STEM	-	140,848	-	140,848	-	140,848
Partner-based	-	414,681	-	414,681	-	414,681
Support GIMD	7,947	-	-	-	(7,947)	-
Total program services	7,947	1,208,321	-	1,208,321	(7,947)	1,208,321
Management and general	8,107	379,215	-	379,215	-	387,322
Fundraising	-	335,109	-	335,109	-	335,109
Total functional expenses	16,054	1,922,645	-	1,922,645	(7,947)	1,930,752
Change in net assets	157,441	1,537,241	66,572	1,603,813	-	1,761,254
Net assets, beginning of year	978,941	1,150,426	433,105	1,583,531	-	2,562,472
Net assets, end of year	\$ 1,136,382	\$ 2,687,667	\$ 499,677	\$ 3,187,344	\$ -	\$ 4,323,726