Girls Incorporated of Pinellas

Audited Financial Statements

September 30, 2023 and 2022

Girls Incorporated of Pinellas

Contents

FRSCPA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Girls Incorporated of Pinellas

Opinion
We have audited the accompanying financial statements of Girls Incorporated of Pinellas (a not for profit organization), which comprise the statements of financial position as of September 30, 2023 and 2022 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls Incorporated of Pinellas as of September 30, 2023 and 2022 and the changes in its net assets and its cash flows for the years then ended in conformity 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. 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 Girls Incorporated of Pinellas 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 Girls Incorporated of Pinellas's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Girls Incorporated of Pinellas'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 Girls Incorporated of Pinellas'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.

Report on Summarized Comparative Information

We have previously audited the Girls Incorporated of Pinellas 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 14, 2022. In our opinion, the summarized comparative information presented herein as of September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

FRSCPA, PLLC

St. Petersburg, Florida
May 6, 2024

Girls Incorporated of Pinellas
Statements of Financial Position
September 30, 2023 and 2022

September 30,		2023		2022
ASSETS				
Current assets:				
Cash and cash equivalents	$	357,223	$	273,430
Prepaid expenses		5,200		2,052
Total current assets		362,423		275,482
Right of use asset, net		4,643		-
Property and equipment, net		617,001		668,487
Total assets	$	984,067	$	943,969
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$	8,927	$	10,864
Accrued salaries and related expenses		8,997		5,798
Accrued vacation benefits		-		1,890
Current portion lease liability		2,611		-
Total current liabilities		20,535		18,552
Lease liability		2,032		-
Total liabilities		22,567		18,552
Net assets:				
Without donor restrictions		756,339		707,649
With donor restrictions		205,161		217,768
Total net assets		961,500		925,417
Total liabilities and net assets	$	984,067	$	943,969

The accompanying notes are an integral part of these financial statements

Girls Incorporated of Pinellas
Statements of Activities
Year ended September 30, 2023 (with comparative totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023	2022
Operating support and revenue:				
Public support:				
United Way	$ 30,452	$ -	$ 30,452	$ 39,616
Grants	410,017	-	410,017	470,515
Contributions	53,912	-	53,912	54,673
Special events, net of cost of direct benefit to donors of $75,473 and $31,058 in 2023 and 2022	117,568	-	117,568	126,415
In-kind support	-	-	-	22,085
	611,949	-	611,949	713,304
Revenues:				
Program service fees	48,411	-	48,411	55,998
Gain on sale of property and equipment	-	-	-	12,873
Other	2,885	-	2,885	11,298
	51,296	-	51,296	80,169
Net assets released from restrictions				
Expiration of time restrictions	12,607	(12,607)	-	-
Total operating support and revenue	675,852	(12,607)	663,245	793,473
Operating expenses				
Program services	382,439		382,439	388,298
Supporting services:				
Management and general	160,520	-	160,520	132,582
Fundraising	69,203	-	69,203	82,846
Total operating expenses	612,162	-	612,162	603,726
Change in net assets	63,690	(12,607)	51,083	189,747
Contribution to endowment fund	(15,000)	-	(15,000)	-
Net assets at beginning of year	707,649	217,768	925,417	735,670
Net assets at end of year	$ 756,339	$ 205,161	$ 961,500	$ 925,417

The accompanying notes are an integral part of these financial statements

Girls Incorporated of Pinellas

Statements of Functional Expenses

Year ended September 30, 2023 (with comparative totals for 2022)

		Supporting services			Total	
	Program Services	Management and General	Fundraising	Total Supporting Services	2023	2022
Salaries	$ 223,676	$ 43,441	$ 61,036	$ 104,477	$ 328,153	$ 299,986
Payroll taxes	19,404	3,762	5,285	9,047	28,451	24,615
Employee insurance	5,204	1,438	(131)	1,307	6,511	23,284
Retirement	3,049	3,380	1,925	5,305	8,354	1,144
Total salaries and related expenses	251,333	52,021	68,115	120,136	371,469	349,029
Insurance	18,782	16,044	-	16,044	34,826	31,529
Utilities	14,465	2,826	-	2,826	17,291	16,099
Repairs and maintenance	16,527	1,319	-	1,319	17,846	15,338
Professional fees and outside services	2,225	38,869	-	38,869	41,094	38,779
In-kind accounting	-	-	-	-	-	22,085
Staff training	90	1,230	-	1,230	1,320	1,839
Vehicle expenses	3,356	-	-	-	3,356	3,400
Summer camp and school activities	3,034	-	-	-	3,034	2,418
Meals and snacks	4,090	-	-	-	4,090	2,797
Office supplies	-	439	-	439	439	448
Program supplies	13,018	-	220	220	13,238	17,128
Dues	-	7,424	-	7,424	7,424	11,776
Travel and lodging	410	6,534	-	6,534	6,944	3,636
Telephone and internet	264	3,467	-	3,467	3,731	4,184
Technology	1,282	13,376	-	13,376	14,658	11,208
Advertising and promotional	1,674	267	-	267	1,941	1,355
Postage and printing	180	1,391	495	1,886	2,066	1,785
Recruitment costs	2,669	5,259	-	5,259	7,928	2,190
Bank fees and finance charges	(208)	4,836	373	5,209	5,001	4,625
Miscellaneous	-	478	-	478	478	1,095
Depreciation	46,746	4,740	-	4,740	51,486	60,983
Amortization ROU	2,502	-	-	-	2,502	-
Cost of direct benefits to donors			75,473	75,473	75,473	31,058
Total expenses by function	382,439	160,520	144,676	305,196	687,635	634,784
Less expenses included with revenues on the statements of activities						
Cost of direct benefits to donors	-	-	(75,473)	(75,473)	(75,473)	(31,058)
Total expenses included in the expense section on the statements of activities	$ 382,439	$ 160,520	$ 69,203	$ 229,723	$ 612,162	$ 603,726

The accompany notes are an integral part of these financial statements

Girls Incorporated of Pinellas
Statements of Cash Flows
September 30, 2023 and 2022

Year ended September 30,	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 51,083	$ 189,747
Adjustments to reconcile change in net assets:		
Depreciation	51,486	60,982
Gain on sale of property and equipment	-	(12,873)
Amortization - right of use asset	2,502	-
Changes in operating assets and liabilities:		
Prepaid expenses	(3,148)	2,314
Accounts payable and accrued expenses	(628)	(2,626)
Lease liability	(2,502)	-
Net cash provided by operating activities	98,793	237,544
Cash flows from investing activities:		
Purchases of property and equipment	-	(94,417)
Contribution to endowment fund	(15,000)	-
Proceeds from sale of property and equipment	-	25,000
Net cash used in investing activities	(15,000)	(69,417)
Cash flows from financing activities:		
Principal payments on long-tem debt	-	(6,689)
Net cash used in financing activities	-	(6,689)
Net change in cash and cash equivalents	83,793	161,438
Cash and cash equivalents at beginning of year	273,430	111,992
Cash and cash equivalents at end of year	$ 357,223	$ 273,430
Noncash investing and financing activity:		
Right of Use lease entered into	$ 7,145	$ -

The accompanying notes are an integral part of these financial statements

1. **Description of Organization and Summary of Significant Accounting Policies**

   a. **Description of Organization**
   Girls Incorporated of Pinellas (the Organization) is a not-for-profit corporation that assists girls in overcoming the effects of discrimination and developing their capacities to be self-sufficient, responsible members of the community through before and after school care, summer care, day care, tutoring, and social development.

   b. **Basis of Accounting**
   These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present revenue, expenses, and net assets based on the existence or absence of donor-imposed restrictions. Accordingly, 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 restrictions.

   Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

   Revenue is reported as increases in net assets 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 restrictions. Federal, state and local grants are considered exchange transactions and are recorded as unrestricted revenue when earned.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of the unrestricted net asset class. Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional.

c. **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents for the purpose of determining cash flows. The Organization places its cash with a high quality financial institution. At times, cash may be in excess of FDIC insurance limits. The Organization does not believe it is exposed to any significant credit risk on cash.

d. **Property and Equipment**

Property and equipment with a cost of $1,000 is capitalized, if purchased, or at estimated market value at date of receipt if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets. Maintenance, repairs and minor renewals are expensed as incurred.

Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition as well as the ownership of any proceeds is subject to applicable regulations.

e. **Impairment of Long-lived Assets**

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amounts of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment loss to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value.

f. **Accrued Vacation Benefits**

Accrued vacation benefits represents vested vacation leave. Vacation leave is charged as an expense in the period in which it is earned by the employee.

g. **Revenue Recognition**
The Organization recognizes grants, contracts and contributions of cash or other assets as restricted support if they are received with grantor or donor stipulations that limit the use of the donated assets. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction when a donor restriction expires, stipulated time restriction ends or purpose restriction is accomplished. The Organization records a receivable for grants, contracts and contributions to be received from the grantor or donor.

h. **Contributed nonfinancial assets**
Contributed nonfinancial assets include donations of services which are recognized and recorded as support at their estimated fair value if the services received create or enhance nonfinancial assets, or the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. Donated materials are recorded as support at their fair value at the date of donation.

i. **Functional Allocation of Expenses**
The costs of providing the various program and other activities have been summarized on a functional basis in the statement of functional expenses. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include insurance, utilities, repairs and maintenance and technology which are allocated on a square footage basis, as well as salaries, payroll taxes, employee insurance and retirement, which are allocated on the basis of estimates of time and effort. Certain other expenses are allocated based on the program or supporting function benefitting from the expenditure, including office supplies, dues, printing and postage and staff training.

j. **Fair Value Measurements**
In accordance with FASB ASC 820, Fair Value Measurement, the Organization measures fair value using a three-level hierarchy for fair value

measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability based on market data from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Organization may use valuation techniques consistent with the market income and cost approaches to measure fair value.

The inputs used to measure fair value are categorized into the following three categories:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
Level 2	Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in inactive markets. Inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data are also included. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The Organization has the option to elect to measure financial instruments at fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis.

k. **Summarization of 2022 Information**
The financial information for the year ended September 30, 2022 is presented for comparative purposes and is not intended to be a complete presentation.

l. **Income Taxes**
The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes. Accordingly, no provision for income taxes has been included in the accompanying financial statements. The Organization is subject to the accounting standards on accounting for uncertainty in income taxes. Management does not believe it has taken any tax positions that are subject to a significant degree of uncertainty. The Organization's income tax filings for periods after the fiscal year ended September 30, 2019 remain subject to examination.

m. **Going Concern Evaluation**
On an annual basis, as required by FASB ASC 205, the Organization performs an evaluation to determine whether there are conditions or events (known or reasonably knowable), considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

n. **Use of Estimates**
Management of the Organization has made a number of estimates and assumptions relating to the reporting of assets and liabilities, as well as pro rata allocations in the recording of expenditures, to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

2. Beneficial interest in endowment funds held by others

The Community Foundation holds two funds designated as benefiting the Organization. The Community Foundation has variance power over these funds, which allows the Community Foundation to modify any restrictions on the funds, including re-designating the funds to another beneficiary organization, as determined by the sole judgment of the Community Foundation's governing board. As a result, these funds are not considered assets of the Organization and are not included in the Organization's financial statements. The Organization records distributions from designated funds as unrestricted support.

The fair value of the two designated funds, which are not included in the Organization's financial statements, are as follows for the years ended September 30, 2023 and 2022:

As of September 30,	**2023**	2022
Designated fund #1	**$ 27,182**	$ 7,400
Designated fund #2	**8,411**	–
Total designated funds	**$ 35,593**	$ 7,400

3. Property and Equipment

Property and equipment consist of the following at September 30, 2023 and 2022:

September 30,	Estimated Useful Lives	**2023**	2022
Land and land improvements		**$ 80,000**	$ 80,000
Building and improvements	7-40 years	**1,112,748**	1,112,748
Furniture, fixtures and equipment	1-12 years	**147,848**	147,848
Vehicles	3-8 years	**144,912**	144,912
		1,485,508	1,485,508
Less: accumulated depreciation		**(868,507)**	(817,021)
		$ 617,001	$ 668,487

Depreciation expense for the years ended September 30, 2023 and 2022 was $51,486 and $60,982, respectively.

4. Revolving Line of Credit

The Organization has a revolving line of credit from a commercial bank that allows the Organization to borrow up to $100,000 at the prime interest rate plus 0.25% (8.50% at September 30, 2023). The revolving loan is unsecured and has no maturity date. The principal balance is due 30 days after the balance is called by the commercial bank. There was no outstanding balance on this revolving line of credit as of September 30, 2023 and 2022.

5. Net Assets with Donor Restrictions

Net assets with donor restrictions as of September 30, 2023 and 2022 consist of the following:

	2023	2022
Subject to the passage of time:		
Facilities subject to use restrictions	**$ 205,161**	$ 217,768
	$ 205,161	$ 217,768

6. Grant Revenue

The Organization receives support from several grantors under various contracts. During the years ended September 30, 2023 and 2022, grant revenue consisted of the following:

Grantor/Program Name:	**2023**	2022
Schoen Foundation	**$ 75,000**	$ 85,000
Ounce of Prevention Fund	**74,116**	50,624
Coordinated Child Care/Early Learning Coalition	**70,362**	95,899
City of Pinellas Park	**50,000**	50,000
Girls Incorporated National	**36,726**	54,262
PriceWaterhouse Coopers	**25,000**	–
City of Largo Cares	**25,000**	–

Girls Inc National Macy's	–	22,174
Pinellas Community Foundation, Inc.	–	20,000
Coca Cola Foundation	–	15,000
Charles A Laufer Trust	**13,636**	13,750
Enterprise Holding	**10,000**	–
Florida Blue	**10,000**	10,000
Community Foundation of Tampa Bay	–	10,000
Duke Energy Foundation	–	5,062
Hardy Huntley Charitable Foundation	–	5,000
Gail Handel Family Foundation	–	5,000
Corey Foundation	–	3,000
Walmart Foundation	**500**	3,000
Food Program/State of Florida CARES grant	–	2,646
The Christense Foundation	–	1,000
YWCA Endowment	**580**	884
Miscellaneous	**19,097**	18,214
	$ 410,017	$ 470,515

7. In-Kind Revenue and Expense

Certain services are provided or fixed assets donated to the Organization gratis or at a cost substantially less than fair market value. The difference between that actual charge and the estimated fair market value is reflected as in-kind revenue and expense in the accompanying financial statements. All in-kind donations were used in operations. For the years ended September 30, 2023 and 2022, in-kind revenue and expense consisted of $0 and $22,085, respectively, and consisted of the following:

Category of donation:	**2023**	2022
Event goods	**$ –**	$ 5,400
Event facilities usage	–	1,685
Event services	–	2,000
Facilities services	–	2,500
Program services	–	5,000
Program supplies	–	5,500
	$ –	$ 22,085

Volunteers have donated substantial time to the Organization in various capacities. However, these services are not reflected in the financial statements since the services do not require specialized skills. The value of other contributed services meeting the requirements for recognition in the financial statements was not material and has not been reflected in the financial statements.

8. Finance lease

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about the leasing arrangements.

The Organization has adopted Topic 842 using a modified retrospective approach. The Organization has applied these standards to its copier lease, the termination of which is generally prohibited unless there is a violation under the lease agreement.

Right of Use (ROU) asset represents the right to use an underlying asset for the lease term and lease liability represents the obligation to make lease payments arising from the lease. This asset and liability are recognized at the commencement date of the lease based on their present value. The Organization uses its incremental borrowing rate based on the information available at commencement date in determining present value. This weighted average discount rate is 4.25%. The ROU assets obtained in exchange for lease liabilities amounted to $7,145.

Future minimum lease payments required as of September 30, 2023 are as follows: 2024 - $2,748 and 2025 - $1,832.

9. Retirement Plan

The Organization established a 403(b) retirement savings plan in April 2009 for all employees who meet minimum employment qualifications. The Organization matches employee deferrals dollar for dollar up to 3% of compensation. Retirement expense for the years ended September 30, 2023 and 2022 was $8,354 and $1,144, respectively.

10. Concentration of Funding

Support from Girls Inc National represented 5% and 7% of total operating support and revenue for the years ended September 30, 2023 and 2022, respectively. Funding from three other organizations accounted for 32% and 29% of total operating support and revenue for the years ended September 30, 2023 and 2022, respectively.

11. Commitments and Contingencies

The Organization may be subject to audit or examination by funding sources to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment could be required. Management believes the Organization is in compliance with the terms of its grant agreements.

12. Liquidity and Availability

The Organization's financial assets as of September 30, 2023 and available within one year of the balance sheet date for general expenditure are as follows:

September 30,	**2023**
Cash and cash equivalents	**$ 357,223**
	$ 357,223

The financial assets above have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date. To help manage unanticipated liquidity needs, the Organization has a $100,000 line of credit that is fully available as of September 30, 2023, which it could draw upon for additional liquidity.

13. Subsequent Events

Management has evaluated subsequent events through May 6, 2024, the date the financial statements were available for issue.