Girls Incorporated of Pinellas

Audited Financial Statements

September 30, 2022 and 2021

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, 2022 and 2021 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, 2022 and 2021 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 audit. 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.

1301 66th Street N • St. Petersburg, FL 33710
(727) 347-1120 • Fax (727) 347-2617

100 Cascade Point Lane, Suite 102 • Cary, NC 27513
(919) 598-1120 • Fax (919) 598-5044

www.frscpa.com

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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 13, 2022. In our opinion, the summarized comparative information presented herein as of September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

FRSCPA, PLLC

St. Petersburg, Florida
December 14, 2022

1301 66th Street N • St. Petersburg, FL 33710
(727) 347-1120 • Fax (727) 347-2617

100 Cascade Point Lane, Suite 102 • Cary, NC 27513
(919) 598-1120 • Fax (919) 598-5044

www.frscpa.com

Statements of Financial Position
September 30, 2022 and 2021

September 30,	2022	2021
ASSETS		
Current assets:		
Cash	**$ 273,430**	$ 111,992
Prepaid expenses	**2,052**	4,366
Total current assets	**275,482**	116,358
Property and equipment, net	**668,487**	647,179
Total assets	**$ 943,969**	$ 763,537
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	**$ 10,864**	$ 7,967
Accrued salaries and related expenses	**5,798**	5,242
Accrued vacation benefits	**1,890**	7,969
Current installments of long-term debt	**–**	4,889
Total current liabilities	**18,552**	26,067
Long term debt, excluding current installments	**–**	1,800
Total liabilities	**18,552**	27,867
Net assets:		
Without donor restrictions	**707,649**	505,295
With donor restrictions	**217,768**	230,375
Total net assets	**925,417**	735,670
Total liabilities and net assets	**$ 943,969**	$ 763,537

Girls Incorporated of Pinellas

Statements of Activities

Year Ended September 30, 2022 (with comparative totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022	2021
Operating support and revenue:				
Public support:				
United Way	**$ 39,616**	**$ –**	**$ 39,616**	$ 54,000
Grants	**470,515**	**–**	**470,515**	329,739
Contributions	**54,673**	**–**	**54,673**	64,361
Special events, net of cost of direct benefits to donors of $31,058 and $7,666 in 2022 and 2021	**126,415**	**–**	**126,415**	93,923
Payroll Protection Program grant	**–**	**–**	**–**	76,312
In-kind support	**22,085**	**–**	**22,085**	–
	713,304	**–**	**713,304**	618,335
Revenues:				
Program service fees	**55,998**	**–**	**55,998**	28,423
Gain on sale of vehicle	**12,873**		**12,873**	–
Other	**11,298**	**–**	**11,298**	2,896
	80,169	**–**	**80,169**	31,319
Net assets released from restrictions:				
Expiration of time restrictions	**12,607**	**(12,607)**	**–**	–
Total operating support and revenue	**806,080**	**(12,607)**	**793,473**	649,654
Operating expenses:				
Program services	**388,298**	**–**	**388,298**	396,775
Supporting services:				
Management and general	**132,582**	**–**	**132,582**	150,774
Fundraising	**82,846**	**–**	**82,846**	76,396
Total operating expenses	**603,726**	**–**	**603,726**	623,945
Change in net assets	**202,354**	**(12,607)**	**189,747**	25,709
Net assets at beginning of year	**505,295**	**230,375**	**735,670**	709,961
Net assets at end of year	**$ 707,649**	**$ 217,768**	**$ 925,417**	$ 735,670

See accompanying notes to financial statements.

Girls Incorporated of Pinellas
Statements of Functional Expenses
Year Ended September 30, 2022 (with comparative totals for 2021)

	Program Services	*Supporting services* Management and General	Fundraising	Total Supporting Services	*Total* **2022**	2021
Salaries	$ 184,941	$ 47,355	$ 67,691	$ 115,046	$ 299,987	$ 328,136
Payroll taxes	15,208	3,750	5,656	9,406	24,614	27,963
Employee insurance	21,198	2,327	(240)	2,087	23,285	20,572
Retirement	118	874	152	1,026	1,144	3,671
Total salaries and related expenses	221,465	54,306	73,259	127,565	349,030	380,342
Insurance	27,698	3,831	–	3,831	31,529	29,677
Utilities	13,737	2,363	–	2,363	16,100	11,663
Repairs and maintenance	10,220	5,117	–	5,117	15,337	42,271
Professional fees & outside services	1,635	37,144	–	37,144	38,779	37,212
In-kind accounting	10,500	2,500	9,085	11,585	22,085	–
Staff training	337	1,502	–	1,502	1,839	825
Vehicle expenses	3,907	(507)	–	(507)	3,400	2,404
Summer camp and school activities	2,418	–	–	–	2,418	4,463
Meals and snacks	2,797	–	–	–	2,797	5,306
Office supplies	–	448	–	448	448	384
Program supplies	16,865	263	–	263	17,128	4,070
Dues	8,439	3,338	–	3,338	11,777	8,384
Travel and lodging	489	3,147	–	3,147	3,636	385
Telephone and internet	3,593	591	–	591	4,184	4,840
Technology	5,374	5,834	–	5,834	11,208	27,541
Advertising and promotional	1,200	125	30	155	1,355	1,988
Postage and printing	201	1,213	370	1,583	1,784	749
Recruitment costs	1,134	1,056	–	1,056	2,190	696
Bank fees and finance charges	72	4,451	102	4,553	4,625	6,074
Miscellaneous	100	995	–	995	1,095	1,100
Depreciation	56,117	4,865	–	4,865	60,982	53,571
Cost of direct benefits to donors	–	–	31,058	31,058	31,058	7,666
Total expenses by function	388,298	132,582	113,904	246,486	634,784	631,611
Less expenses included with revenues on the statement of activities						
Cost of direct benefits to donors	–	–	(31,058)	(31,058)	(31,058)	(7,666)
Total expenses included in the expense section on the statement of activities	$ 388,298	$ 132,582	$ 82,846	$ 215,428	$ 603,726	$ 623,945

See accompanying notes to financial statements.

Girls Incorporated of Pinellas

Statements of Cash Flows

Years Ended September 30, 2022 and 2021

Year ended September 30,	**2022**	2021
Cash flow from operating activities:		
Change in net assets	**$ 189,747**	$ 25,709
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**60,982**	53,571
Gain on sale of property and equipment	**(12,873)**	–
Change in operating assets and liabilities:		
Grants and contributions receivable	–	3,901
Prepaid expenses	**2,314**	3,224
Accounts payable and accrued expenses	**(2,626)**	(5,470)
Deferred revenue	–	(35,233)
Net cash provided by operating activities	**237,544**	45,702
Cash flows from investing activities:		
Purchases of property and equipment	**(94,417)**	–
Proceeds from sale of property and equipment	**25,000**	–
Net cash used in investing activities	**(69,417)**	–
Cash flows from financing activities:		
Principal payments on long-term debt	**(6,689)**	(5,721)
Net payments on line of credit	–	(74,000)
Net cash used in financing activities	**(6,689)**	(79,721)
Net increase (decrease) in cash	**161,438**	(34,019)
Cash at beginning of the year	**111,992**	146,011
Cash at end of the year	**$ 273,430**	$ 111,992
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	**$ –**	$ 2,834

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. **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.

f. **Donated Materials and Services**
Donated materials are recorded as support at their fair value at the date of donation. Donations of services are 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.

g. **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.

h. 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, 2018 remain subject to examination.

i. 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. Property and Equipment

Property and equipment consist of the following at September 30, 2022 and 2021:

September 30,	Estimated Useful Lives	**2022**	2021
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**	110,198
		1,485,508	1,450,794
Less: accumulated depreciation		**(817,021)**	(803,615)
		$ 668,487	$ 647,179

Depreciation expense for the years ended September 30, 2022 and 2021 was $60,982 and $53,571, respectively.

3. 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% (3.50% at September 30, 2022). The revolving loan is unsecured and renews in March annually. Any outstanding principal balance is due 30 days after the balance is called by the commercial bank. The outstanding balance on the revolving line of credit as of September 30, 2022 and 2021 was $0.

4. Long-Term Debt

Long-term debt consists of the following at September 30, 2022 and 2021:

	2022	2021
0% interest note payable to the City of St. Petersburg due in monthly payments of $50	**$ –**	$ 2,402
6.9% note payable to a commercial bank due in monthly installments of $507, including interest, through June 2022; secured by a vehicle	–	4,287
Total long-term debt	–	6,689
Less current installments	–	(4,889)
Long-term debt, excluding current installments	**$ –**	$ 1,800

5. Net Assets with Donor Restrictions

Net assets with donor restrictions as of September 30, 2022 and 2021 consist of the following:

	2020	2021
Subject to the passage of time:		
Facilities subject to use restrictions	**$ 217,768**	$ 230,375

6. Grant Revenue

The Organization receives support from several grantors under various contracts. During the years ended September 30, 2022 and 2021, grant revenue consisted of the following:

Grantor/Program Name:	**2022**	2021
Coordinated Child Care/Early Learning Coalition	**$ 95,899**	$ 49,002
Schoen Foundation	**85,000**	85,000
Girls Incorporated National	**54,262**	$ 88,233
Ounce of Prevention Fund	**50,624**	–
City of Pinellas Park	**50,000**	42,857
Girls Inc National Macy's	**22,174**	–
Pinellas Community Foundation	**20,000**	9,639
Coca Cola Foundation	**15,000**	–
Charles A Laufer Trust	**13,750**	5,795
Florida Blue	**10,000**	–
Community Foundation of Tampa Bay	**10,000**	–
Duke Energy Foundation	**5,062**	–
Hardy Huntley Charitable Foundation	**5,000**	5,000
Gail Handel Family Foundation	**5,000**	–
Corey Foundation	**3,000**	–
Walmart Foundation	**3,000**	–
Food Program/State of Florida CARES grant	**2,646**	18,942
The Christense Foundation	**1,000**	–
YWCA Endowment	**884**	–
Pinellas County Board of County Commissioners	**–**	10,000
Publix	**–**	5,000
Frank E. Duckwall Foundation	**–**	6,000
TD Charitable Foundation	**–**	400
Wawa Foundation	**–**	1,500
Catalina Marketing Charitable Foundation	**–**	2,000
Ross Stores Foundation	**–**	350
Other	**18,214**	21
	$ 470,515	$ 329,739

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, 2022 and 2021, in-kind revenue and expense were $22,085 and $0 and consisted of the following:

Category of donation:	**2022**	2021
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. 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, 2022 and 2021 was approximately $1,144 and $3,671, respectively.

9. Concentration of Funding

Support from Girls Inc National represented 7% and 8% of total operating support and revenue for the years ended September 30, 2022 and 2021, respectively. Funding from two other organization accounted for 12% and 11% of total operating support and revenue for the year ended September 30, 2022. Funding from two other organizations accounted for 13% and 9% of total operating support and revenue for the year ended September 30, 2021.

10. 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.

11. Paycheck Protection Program grant

On January 22, 2021, the Organization received loan proceeds of $75,880 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after 8 weeks or 24 weeks, as elected by the Organization, as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period.

The Organization used the proceeds for purposes consistent with the PPP and received notification from the Small Business Administration (SBA) in August 2021 that the loan had been forgiven. As such, the PPP loan is presented as public support for the year ended September 30, 2021.

12. Liquidity and Availability

The Organization's financial assets as of September 30, 2022 and available within one year of the balance sheet date for general expenditure are as follows:

September 30,	**2022**
Cash and cash equivalents	$ 273,430
	$ 273,430

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, 2022, which it could draw upon for additional liquidity.

13. Subsequent Events

Management has evaluated subsequent events through December 14, 2022, the date the financial statements were available for issue.