

**GIRLS INC. OF GREATER PHILADELPHIA
AND SOUTHERN NEW JERSEY**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019



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**GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
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YEARS ENDED JUNE 30, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Girls Inc. of Greater Philadelphia and Southern New Jersey
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Girls Inc. of Greater Philadelphia and Southern New Jersey (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

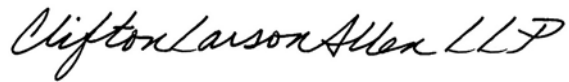
Board of Directors
Girls Inc. of Greater Philadelphia and Southern New Jersey

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls Inc. of Greater Philadelphia and Southern New Jersey as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, Girls Inc. of Greater Philadelphia and Southern New Jersey has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
November 4, 2020

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 675,617	\$ 489,411
Fee for Service Receivable	3,500	800
Contribution and Grants Receivable	225,143	166,221
Prepaid Expenses	23,123	9,833
Total Current Assets	927,383	666,265
EQUIPMENT AND SOFTWARE, NET	3,295	5,846
INVESTMENTS	419,199	411,220
OTHER ASSETS		
Contribution and Grants Receivable, Net of Current Portion	-	33,474
Deposits	1,945	1,945
Total Assets	\$ 1,351,822	\$ 1,118,750
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 6,075	\$ 4,122
Deferred Income	-	2,820
Total Liabilities	6,075	6,942
NET ASSETS		
Without Donor Restrictions	1,068,324	829,307
With Donor Restrictions	277,423	282,501
Total Net Assets	1,345,747	1,111,808
Total Liabilities and Net Assets	\$ 1,351,822	\$ 1,118,750

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Government Grants and Contracts	\$ 337,976	\$ -	\$ 337,976
Other Grants and Contracts	100,926	445,723	546,649
Fee-for-Service Contracts	7,805	-	7,805
Corporations	129,391	-	129,391
Foundations	14,716	-	14,716
Individuals	90,562	-	90,562
Donated Materials and Services	66,688	-	66,688
Special Events (Net of Costs of Direct Benefit to Donors Amounting to \$11,596)	114,020	-	114,020
Other Revenue	12,836	-	12,836
Total Revenue, Gains, and Other Support	<u>874,920</u>	<u>445,723</u>	<u>1,320,643</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Release of Restrictions	<u>450,801</u>	<u>(450,801)</u>	<u>-</u>
Total Revenue, Gains, and Other Support	1,325,721	(5,078)	1,320,643
EXPENSES			
Program Services	880,320	-	880,320
Management and General	108,738	-	108,738
Development and Fundraising	97,646	-	97,646
Total Expenses	<u>1,086,704</u>	<u>-</u>	<u>1,086,704</u>
CHANGE IN NET ASSETS	239,017	(5,078)	233,939
Net Assets - Beginning of Year	<u>829,307</u>	<u>282,501</u>	<u>1,111,808</u>
NET ASSETS - END OF YEAR	<u>\$ 1,068,324</u>	<u>\$ 277,423</u>	<u>\$ 1,345,747</u>

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Government Grants and Contracts	\$ 60,000	\$ -	\$ 60,000
Other Grants and Contracts	64,024	567,762	631,786
Fee for Service Contracts	21,478	-	21,478
Corporations	172,311	-	172,311
Foundations	14,459	-	14,459
Individuals	79,348	-	79,348
Donated Materials and Services	105,604	-	105,604
Special Events (Net of Costs of Direct Benefit to Donors Amounting to \$28,713)	91,968	-	91,968
Other Revenue	15,886	-	15,886
Total Revenue, Gains, and Other Support	<u>625,078</u>	<u>567,762</u>	<u>1,192,840</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Release of Restrictions	<u>472,380</u>	<u>(472,380)</u>	<u>-</u>
Total Revenue, Gains, and Other Support	1,097,458	95,382	1,192,840
EXPENSES			
Program Services	593,496	-	593,496
Management and General	80,503	-	80,503
Development and Fundraising	86,120	-	86,120
Total Expenses	<u>760,119</u>	<u>-</u>	<u>760,119</u>
CHANGE IN NET ASSETS	337,339	95,382	432,721
Net Assets - Beginning of Year	<u>491,968</u>	<u>187,119</u>	<u>679,087</u>
NET ASSETS - END OF YEAR	<u>\$ 829,307</u>	<u>\$ 282,501</u>	<u>\$ 1,111,808</u>

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program	Management and General	Development and Fundraising	Total
PROFESSIONAL SALARIES	\$ 491,610	\$ 71,270	\$ 67,035	\$ 629,915
PAYROLL TAXES	46,788	5,593	6,397	58,778
FRINGE BENEFITS	33,937	11,840	4,557	50,334
Total Salaries and Related Expenses	572,335	88,703	77,989	739,027
OTHER EXPENSES				
Bank and Finance Fees	-	410	3,263	3,673
Depreciation	-	2,551	-	2,551
Dues	5,776	943	2,195	8,914
Equipment Rental and Repair	6,501	303	84	6,888
Insurance	11,480	1,911	1,513	14,904
In-Kind Expense	-	700	-	700
Printing and Publications	139	43	24	206
Occupancy	38,053	5,275	4,936	48,264
Office Operations	4,725	401	97	5,223
Postage	154	13	6	173
Professional Fees	26,931	4,319	4,390	35,640
Program Facilitators (In-Kind)	65,988	-	-	65,988
Program Supplies	111,841	120	151	112,112
Event Rental	835	-	14,067	14,902
Staff Conference and Training	30,908	939	-	31,847
Staff Travel	1,548	1,613	-	3,161
Telephone and Internet	3,106	494	527	4,127
Total Other Expenses	307,985	20,035	31,253	359,273
COST OF SPECIAL EVENTS	-	-	(11,596)	(11,596)
Total Expenses Before Allocation	880,320	108,738	97,646	1,086,704
ALLOCATION OF MANAGEMENT AND GENERAL EXPENSES	97,881	(108,738)	10,857	-
Total Expenses	<u>\$ 978,201</u>	<u>\$ -</u>	<u>\$ 108,503</u>	<u>\$ 1,086,704</u>

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Development and Fundraising</u>	<u>Total</u>
PROFESSIONAL SALARIES	\$ 262,075	\$ 54,940	\$ 64,659	\$ 381,674
PAYROLL TAXES	24,975	5,445	5,998	36,418
FRINGE BENEFITS	<u>25,386</u>	<u>4,634</u>	<u>394</u>	<u>30,414</u>
Total Salaries and Related Expenses	312,436	65,019	71,051	448,506
OTHER EXPENSES				
Bank and Finance Fees	-	718	7,712	8,430
Bad Debt	300	-	-	300
Depreciation	-	3,268	-	3,268
Dues	7,199	482	-	7,681
Equipment Rental and Repair	9,618	361	-	9,979
Insurance	13,500	610	239	14,349
Miscellaneous	950	20	1,003	1,973
Printing and Publications	48	-	6,089	6,137
Occupancy	35,401	1,229	2,130	38,760
Office Operations	795	398	32	1,225
Postage	141	20	231	392
Professional Fees	33,596	5,422	4,371	43,389
Program Facilitators (In-Kind)	105,604	-	-	105,604
Program Supplies	45,625	-	-	45,625
Event Rental	8,417	-	21,121	29,538
Staff Conference and Training	16,145	605	591	17,341
Staff Travel	703	2,070	-	2,773
Telephone and Internet	3,018	281	263	3,562
Total Other Expenses	<u>281,060</u>	<u>15,484</u>	<u>43,782</u>	<u>340,326</u>
COST OF SPECIAL EVENTS	<u>-</u>	<u>-</u>	<u>(28,713)</u>	<u>(28,713)</u>
Total Expenses Before Allocation	593,496	80,503	86,120	760,119
ALLOCATION OF MANAGEMENT AND GENERAL EXPENSES	<u>67,450</u>	<u>(80,503)</u>	<u>13,053</u>	<u>-</u>
Total Expenses	<u><u>\$ 660,946</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 99,173</u></u>	<u><u>\$ 760,119</u></u>

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 233,939	\$ 432,721
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	2,551	3,268
Unrealized and Realized (Gains) Losses on Investments	(2,444)	17,679
(Increase) Decrease in Assets:		
Contracts Receivable	(2,700)	14,741
Contribution and Grants Receivable	(25,448)	(89,067)
Prepaid Expenses and Deposits	(13,290)	(407)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	1,953	(2,122)
Deferred Income	(2,820)	(5,408)
Net Cash Provided by Operating Activities	191,741	371,405
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(330,360)	(301,379)
Sale of Investments	324,825	122,546
Net Cash Used by Investing Activities	(5,535)	(178,833)
 NET INCREASE IN CASH	186,206	192,572
 Cash - Beginning of Year	489,411	296,839
 CASH - END OF YEAR	\$ 675,617	\$ 489,411

See accompanying Notes to Financial Statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

Girls Inc. of Greater Philadelphia and Southern New Jersey (Girls Inc. or the Organization) is a 501(c)(3) nonprofit organization founded in 1961. Our mission is to inspire all girls to be strong, smart, and bold, through direct service and advocacy. In partnership with schools and at our Girls Inc. center, we focus on the development of the whole girl. She learns to value herself, take risks, and discover and develop her inherent strengths. The combination of long-lasting mentoring relationships, a pro-girl environment, and research-based programming equips girls to navigate gender, economic, and social barriers, and grow up healthy, educated, and independent.

Girls Inc. offers programs for girls ages 5-18. The Organization served over 3,000 girls during fiscal year 2019. That number was approximately 2,000 in fiscal year 2020. Girls served was down year over year specifically due to school closures as a result of COVID-19. Most of the Girls Inc. programs are delivered in schools. Many of those programs were paused when the schools were closed. Girls Inc. launched a comprehensive digital delivery model that made it possible to reach hundreds of girls during the spring of 2020.

Girls Inc.'s programs include:

- **STRONG**
 - Girls Inc. Friendly PEERsuasion builds girls' skills for resisting pressure to use harmful substances such as alcohol, tobacco, household chemicals, and other drugs.
 - Girls Inc. Healthy Sexuality assists girls in understanding and embracing sexuality with a positive, empowered approach that is built on a foundation of accurate information, cultural sensitivity, and values of inclusiveness and respect.
- **SMART**
 - Girls Inc.'s Early Literacy initiative is designed to help increase literacy rates, testing scores and foster a lifelong love of reading for participants in grades K-3.
 - Girls Inc. Economic Literacy introduces girls to basic economic and financial concepts, including money management, investments, and global economics.
 - Girls Inc. Operation SMART builds girls' skills and interest in science, technology, engineering, and mathematics.
 - All Girls Inc. SMART programs are Pennsylvania Educational Improvement Tax Credit (EITC) qualified.
- **BOLD**
 - Girls Inc. Project BOLD strengthens girls' abilities to lead safer lives by developing strategies for self-defense, seeking out caring adults to help with personal violence, and advocating on violence issues.
 - Girls Inc. Leadership and Community Action builds leadership skills and creates lasting social change by partnering girls and women in community action projects chosen by girls.
 - Girls Inc. Career Exploration introduces girls to a board range of career options and professionals in those careers.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and Operations (Continued)

- Girls Inc. Sporting Chance builds movement and athletic skills, cooperative and competitive spirit, health awareness, and interest in all sports as girls explore the benefits of an active lifestyle.
- Girls Inc. Media Literacy encourages girls to think critically about media messages and fosters their awareness of the power of the media and its effects on girls.

The Organization subscribes to a policy of equal opportunity. Employment at the organization and admission to the program is open to all qualified persons without regard to race, color, religion, national origin, citizenship, gender, sexual orientation, pregnancy, gender identity, age, disability, genetic information, income, political belief, marital or veteran status, or any other category protected by applicable federal, state, or local law in the provision of or access to services, employment and activities.

Basis of Presentation

Girls Inc. reports information regarding its financial positions and activities according to these classes of net assets: without donor restrictions and with donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. Some net assets are subject to donor-imposed stipulations that are required to be maintained permanently by the Organization. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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 restrictions. Net assets with donor restrictions totaled \$277,423 and \$282,501 as of June 30, 2020 and 2019, respectively.

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants

Contributions and Grants, including unconditional promises to give and government grants, are recognized as revenue in the period received if determined to be unconditional. All donor-restricted contributions are reported as increases in net assets with donor restrictions depending upon the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. A contribution is conditional if a right of return or right of release exists as well as a barrier. The conditional contribution is recognized once the conditions have been met. Government grant revenue is recognized when conditions are met within the grant agreement; the key condition being expenses incurred. As of June 30, 2020 and 2019, there is no conditional revenue remaining to be recognized.

Contracts, Contribution, and Grants Receivable

Funding is received primarily from contracts and corporate grants. Revenue and accounts receivable have been recognized only to the extent allowed under the agreements. Any excess funding is considered as deferred income until reconciliation occurs with the funding source.

The Organization provides an allowance for uncollectible accounts based on the allowance method using management's judgment based on historical experience. No collateral is provided for services rendered. Past due receivables are individually analyzed for collectability. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At June 30, 2020 and 2019, an allowance for uncollectible accounts was not warranted.

Equipment and Software

The Organization capitalizes all expenditures for equipment and software in excess of \$1,000 and a useful life exceeding one year. Equipment and Software are recorded at cost or fair market value at the date of contribution (if donated). Depreciation is provided using straight-line method over the estimated useful lives of the assets.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, it is not subject to state or federal income taxes.

The Organization follows the provisions of the income tax standard for uncertain tax positions. This standard prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard has had no impact on the Organization's financial statements.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Financial assets recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Investments

Investments are carried at fair market value as determined by quoted market prices in the statements of financial position.

Donated Goods and Services

The Organization recognizes donated services that create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization also recognizes donated materials that would need to be purchased if not provided by donation. For the years ended June 30, 2020 and 2019, donated services amounted to \$65,988 and \$105,604, respectively. As of June 30, 2020 and 2019, donated goods amounted to \$700 of which \$-0- was capitalized.

Functional Expenses

Directly identifiable expenses are charged to the individual programs and supporting services. Indirect functional expenses are allocated to programs and supporting services using an allocation methodology which calculates the percentage of building space used for program, management and fundraising activities. Salaries are allocated based on each employee's time spent in program and supporting services. Management and general expenses include those expenses that are not related to a specific program and provide for the overall support and direction of the organization.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements — ASU 2018-08

As of July 1, 2019, the Organization adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization's financial statements reflect the application of this guidance for the year ended June 30, 2020. No cumulative-effect adjustment to net assets was recorded because the adoption did not impact the Organization's previously reported contributions.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 4, 2020, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY

Financial assets available for general expenditure within one year of the balance sheet date of June 30, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Financial Assets at Year-End:		
Cash	\$ 675,617	\$ 489,411
Contracts Receivable	3,500	800
Contribution and Grants Receivable	225,143	166,221
Investments	419,199	411,220
Total Financial Assets	<u>\$ 1,323,459</u>	<u>\$ 1,067,652</u>

The Organization has certain investments which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the information above. The Organization has other assets limited to use for donor-restricted purposes. These assets limited to use, which are more fully described in Note 6, may not be available for general expenditure within the next year.

NOTE 3 EQUIPMENT AND SOFTWARE

Equipment and software is summarized as follows as of June 30:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 10,506	\$ 10,506
Software	2,250	2,250
Total	<u>12,756</u>	<u>12,756</u>
Less: Accumulated Depreciation	9,461	6,910
Total Equipment and Software	<u>\$ 3,295</u>	<u>\$ 5,846</u>

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 INVESTMENTS

The following table summarizes, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2020 and 2019:

	2020			
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 154,759	\$ -	\$ -	\$ 154,759
Exchange Traded Funds	264,440	-	-	264,440
Total	\$ 419,199	\$ -	\$ -	\$ 419,199

	2019			
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 154,879	\$ -	\$ -	\$ 154,879
Exchange Traded Funds	256,341	-	-	256,341
Total	\$ 411,220	\$ -	\$ -	\$ 411,220

The following table summarizes the investment return in the statements of activities for the years ended June 30:

	2020	2019
Investment Income	\$ 9,744	30,017
Unrealized and Realized (Gains) Losses	(2,444)	17,679
Total	\$ 12,188	\$ 12,338

NOTE 5 CONTRIBUTION AND GRANTS RECEIVABLE

Contribution and grants receivable are as follows as of June 30:

	2020	2019
Less than One Year	\$ 225,143	\$ 166,221
More than One Year	-	35,000
Total	225,143	201,221
Less: Discounts to Net Present Value	-	1,526
Contribution and Grants Receivable	\$ 225,143	\$ 199,695

Contribution and grants receivable that are to be received in more than one year are discounted at a risk free rate of return for the expected term. The rate used as of June 30, 2019 was 3.63%.

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

The Organization separately reports those contributions made with specific donor restrictions. The detail of net assets with donor restrictions as of June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Subject to Release of Time:		
Contribution and Grants Receivable	\$ 15,000	\$ 54,890
Subject to Expenditure for Specific Purpose:		
Operation SMART	106,938	49,082
Literacy	38,222	83,735
Bold Futures Mentoring	-	4,766
Stepping Stones	-	2,500
Leadership	81,263	21,528
Camden Expansion	35,000	65,000
Total	<u>261,423</u>	<u>226,611</u>
Subject to be Held in Perpetuity	<u>1,000</u>	<u>1,000</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 277,423</u></u>	<u><u>\$ 282,501</u></u>

NOTE 7 RELEASE OF RESTRICTIONS

Net assets released from donor restrictions for the years ended June 30, 2019 and 2018 are as follows:

	<u>2020</u>	<u>2019</u>
Subject to Release of Time:		
Contribution and Grants Receivable	\$ 54,890	\$ 137,560
Subject to Expenditure for Specific Purpose:		
Operation SMART	119,226	117,918
Literacy	97,100	107,449
Go Girl Go	-	2,600
Bold Futures Mentoring	4,766	44,396
Stepping Stones	2,500	1,500
Leadership	142,319	26,037
Camden Expansion	30,000	34,920
Total	<u>395,911</u>	<u>334,820</u>
Total Net Assets Released from Restrictions	<u><u>\$ 450,801</u></u>	<u><u>\$ 472,380</u></u>

GIRLS INC. OF GREATER PHILADELPHIA AND SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 8 OPERATING LEASES

In January 2016, the Organization entered into an operating lease for office space expiring June 30, 2018. The Organization renewed this option for three additional years ending June 30, 2021. Rent expense for the years ended June 30, 2020 and 2019 was \$46,494 and \$35,949, respectively.

As of October 30, 2020, the Organization entered into a lease for new office space for a five-year period beginning July 1, 2021. Monthly payments are \$7,520 for the duration of the lease, as long as the Organization makes timely, monthly payments. The Organization also committed to \$10,000 in tenant build-out costs.

Future minimum rentals for office space as of June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 49,296
2022	90,240
2022	90,240
2023	90,240
2024 and beyond	180,480
Total	<u>\$ 500,496</u>

NOTE 9 RELATED PARTIES

Girls Incorporated

The Organization is an affiliate of Girls Incorporated (Girls Inc. National). As a part of the affiliate agreement, the Organization is subject to annual dues to the national organization. Dues are assessed on a calendar year basis and are calculated based on the previous year's Form 990 results. At June 30, 2020 and 2019, the annual dues amounted to \$7,380 and \$4,715, respectively.

The Organization also receives grants from the national organization. At June 30, 2020 and 2019, the grants contributed amounted to \$51,477 and \$231,332, respectively. At June 30, 2020 and 2019, the amount due from the national organization for these grants amounted to \$31,250 and \$101,288, respectively.

NOTE 10 RISKS AND UNCERTAINTIES

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies, and our communities. Specific to the Organization, COVID-19 may impact various parts of its fiscal year 2021 operations and financial results. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as June 30, 2020.

