

# Girls Inc. of San Antonio

Financial Statements

June 30, 2022 and 2021



# Girls Inc. of San Antonio

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## **Independent Auditor's Report**

To the Board of Directors of  
Girls Inc. of San Antonio

### ***Opinion***

We have audited the accompanying financial statements of Girls Inc. of San Antonio (Girls Inc.) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Inc. as of June 30, 2022 and the changes in its net assets and its 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 audit 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 Girls Inc. 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 Inc.'s ability to continue as a going concern within one year after the date that the financial statements are 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 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, including omissions, 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.

## Independent Auditor's Report (Continued)

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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 purposes of expressing an opinion on the effectiveness of Girls Inc.'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 Inc.'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 Girls Inc. of San Antonio's 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 23, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schrivier, Carmona & Company, PLLC

San Antonio, Texas

March 9, 2023

## **Financial Statements**

# Girls Inc. of San Antonio

## Statements of Financial Position June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b><i>Current Assets:</i></b>		
Cash and Cash Equivalents	\$ 3,268,124	\$ 3,202,691
Restricted Cash - Capital Campaign	1,842,910	456,382
Accounts Receivable	182,453	287,218
Current Portion of Pledges Receivable	612,000	522,000
Prepaid Expenses	<u>6,269</u>	<u>6,051</u>
<b><i>Total Current Assets</i></b>	<b>5,911,756</b>	4,474,342
Other Assets	60,000	-
Property and Equipment, Net of Accumulated Depreciation	2,746,535	2,084,251
Long-Term Portion of Pledges Receivable, Net of Discount	<u>498,266</u>	<u>697,515</u>
<b>Total Assets</b>	<b>\$ <u>9,216,557</u></b>	<b>\$ <u>7,256,108</u></b>
<b>Liabilities and Net Assets</b>		
<b><i>Current Liabilities:</i></b>		
Accounts Payable	\$ 45,392	\$ 2,698
Payroll Liabilities	-	37,505
Accrued Liabilities	77,673	23,470
Accrued Interest on Paycheck Protection Program Loan	<u>-</u>	<u>390</u>
<b><i>Total Current Liabilities</i></b>	<b>123,065</b>	64,063
Paycheck Protection Program Loan	<u>-</u>	<u>138,132</u>
<b><i>Total Liabilities</i></b>	<b><u>123,065</u></b>	<b><u>202,195</u></b>
<b><i>Net Assets:</i></b>		
Without Donor Restrictions	5,486,785	4,971,834
With Donor Restrictions	<u>3,606,707</u>	<u>2,082,079</u>
<b><i>Total Net Assets</i></b>	<b><u>9,093,492</u></b>	<b><u>7,053,913</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>9,216,557</u></b>	<b>\$ <u>7,256,108</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.

## Girls Inc. of San Antonio

### Statement of Activities

Year Ended June 30, 2022 (with Comparative Totals for the Year Ended June 30, 2021)

	<b>2022</b>			2021 Totals
	Without Donor Restrictions	With Donor Restrictions	Totals	
<b>Support and Revenues</b>				
<i><b>Support:</b></i>				
Contributions and Grants	\$ 567,376	\$ 675,417	\$ <b>1,242,793</b>	\$ 1,185,419
Grants - State Government	216,936	-	<b>216,936</b>	275,354
Grants - Local Government	70,419	-	<b>70,419</b>	165,622
Capital Campaign	0	1,435,471	<b>1,435,471</b>	2,068,546
Gain on Extinguishment of Debt - Forgiven Paycheck Protection Program Loan	138,132	-	<b>138,132</b>	136,100
Special Events, net of expenses of \$38,915 and \$46,338 in 2022 and 2021, respectively	111,611	-	<b>111,611</b>	231,993
<i><b>Revenues:</b></i>				
Program Service Fees	18,277	27,398	<b>45,675</b>	44,625
Other Income	390	-	<b>390</b>	18,906
Net Assets Released from Restrictions	613,658	(613,658)	-	-
<b>Total Support and Revenues</b>	<b>1,736,799</b>	<b>1,524,628</b>	<b>3,261,427</b>	<b>4,126,565</b>
<b>Expenses</b>				
Program Services	866,618	-	<b>866,618</b>	803,809
<i><b>Support Services:</b></i>				
Management and General	239,341	-	<b>239,341</b>	162,058
Fundraising	115,889	-	<b>115,889</b>	83,026
<b>Total Expenses</b>	<b>1,221,848</b>	<b>-</b>	<b>1,221,848</b>	<b>1,048,893</b>
<b>Change in Net Assets</b>	<b>514,951</b>	<b>1,524,628</b>	<b>2,039,579</b>	<b>3,077,672</b>
<b>Net Assets at Beginning of Year</b>	<b>4,971,834</b>	<b>2,082,079</b>	<b>7,053,913</b>	<b>3,976,241</b>
<b>Net Assets at End of Year</b>	<b>\$ 5,486,785</b>	<b>\$ 3,606,707</b>	<b>\$ 9,093,492</b>	<b>\$ 7,053,913</b>

The Accompanying Notes are an Integral Part of These Financial Statements.

## Girls Inc. of San Antonio

### Statement of Functional Expenses

Year Ended June 30, 2022 (with Comparative Totals for the Year Ended June 30, 2021)

	Support Services			Total Support Services	2022 Totals	2021 Totals
	Program Services	Management and General	Fundraising			
<b>Salaries and Related Expenses:</b>						
Salaries and Wages	\$ 477,849	\$ 49,072	\$ 87,708	\$ 136,780	\$ 614,629	\$ 583,203
Payroll Taxes	41,604	5,158	7,285	12,443	54,047	43,453
Employee Benefits	42,392	4,121	5,993	10,114	52,506	54,093
Total Salaries and Related Expenses	<u>561,845</u>	<u>58,351</u>	<u>100,986</u>	<u>159,337</u>	<u>721,182</u>	<u>680,749</u>
Bank Fees	-	4,548	-	4,548	4,548	4,248
Dues and Subscriptions	10,950	1,225	1,200	2,425	13,375	12,208
Fundraising	-	-	4,171	4,171	4,171	3,124
Furniture, Equipment and Maintenance	12,433	84,916	-	84,916	97,349	16,418
Insurance	32,708	5,207	3,134	8,341	41,049	36,712
Information Technology and Telephone	8,161	326	653	979	9,140	10,138
Interest Expense	-	246	-	246	246	23,875
Marketing	272	-	-	-	272	-
Meetings and Conferences	2,736	4,824	588	5,412	8,148	695
Printing, Publications and Postage	4,082	2,518	-	2,518	6,600	3,044
Professional Fees	39,338	32,280	1,875	34,155	73,493	49,346
Rent and Occupancy	23,449	5,700	2,497	8,197	31,646	22,736
Activities and Supplies	156,649	1,788	785	2,573	159,222	96,810
Travel and Transportation	4,517	80	-	80	4,597	833
Total Other Operating Expenses	<u>295,295</u>	<u>143,658</u>	<u>14,903</u>	<u>158,561</u>	<u>453,856</u>	<u>280,187</u>
Total Expenses before Depreciation	857,140	202,009	115,889	317,898	1,175,038	960,936
Depreciation	<u>9,478</u>	<u>37,332</u>	<u>-</u>	<u>37,332</u>	<u>46,810</u>	<u>87,957</u>
<b>Total Expenses</b>	<u>\$ 866,618</u>	<u>\$ 239,341</u>	<u>\$ 115,889</u>	<u>\$ 355,230</u>	<u>\$ 1,221,848</u>	<u>\$ 1,048,893</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

## Girls Inc. of San Antonio

### Statements of Cash Flows Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities:</b>		
Change in Net Assets	\$ 2,039,579	\$ 3,077,672
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	46,810	87,957
Gain on Extinguishment of Debt - Forgiven		
Paycheck Protection Program Loan	(138,132)	(136,100)
Discount on Pledges Receivable	(29,750)	75,485
(Increase) Decrease in:		
Accounts Receivable	104,765	(65,299)
Pledges Receivable	139,000	(445,000)
Prepaid Expenses	(218)	(537)
Other Assets	(60,000)	-
Increase (Decrease) in:		
Accounts Payable	42,694	(8,012)
Payroll Liabilities	(37,505)	(533)
Accrued Liabilities	54,203	(9,836)
Accrued Interest on Paycheck Protection Program Loan	(390)	163
<b>Net Cash Provided by Operating Activities</b>	<u>2,161,056</u>	<u>2,575,960</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of Property	(709,095)	(199,471)
<b>Net Cash Used by Investing Activities</b>	<u>(709,095)</u>	<u>(199,471)</u>
<b>Cash Flows From Financing Activities:</b>		
Payments on Property Note Payable	-	(1,650,000)
Proceeds from Paycheck Protection Program Loan	-	138,132
<b>Net Cash Used by Financing Activities</b>	<u>-</u>	<u>(1,511,868)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,451,961</b>	<b>864,621</b>
Cash and Cash Equivalents, Beginning of Year	<u>3,659,073</u>	<u>2,794,452</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 5,111,034</u>	<u>\$ 3,659,073</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

## Girls Inc. of San Antonio

Notes to Financial Statements  
June 30, 2022 and 2021

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### **Note A: Nature of Organization**

Girls Inc. of San Antonio (Girls Inc.) was incorporated on November 10, 2004 in the State of Texas as a nonprofit corporation. The mission of Girls Inc. is to inspire all girls to be strong, smart, and bold. Girls Inc.'s comprehensive approach to whole girl development equips girls to navigate gender, economic, and social barriers and grow up healthy, educated, and independent. Research-based programs take place in partnership with schools and community organizations both during the school day and during out-of-school time, holidays and summer break.

### **Note B: Summary of Accounting Principles**

#### ***Basis of Accounting***

The financial statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). Net assets, support and revenue, and expenses are classified according to two classes of net assets:

- *Without Donor Restrictions* – net assets available for use in general operations and not subject to donor restrictions. Grant and contributions gifted for recurring programs of Girls Inc. generally are not considered “restricted” under GAAP, though for internal reporting Girls Inc. such grants and contributions to verify the disbursement matches the intent. Assets restricted solely through the actions of the Board of Directors are reported as Net Assets Without Donor Restrictions, Board Designated.
- *With Donor Restrictions* – net assets subject to donor-imposed stipulations that are more restrictive than Girls Inc.'s mission and purpose. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time. 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. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### ***Methods Used for Allocation of Expenses among Program and Support Services***

The financial statements report certain categories of expenses that are attributed to more than one program or support function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses which can be directly identified with specific programs are allocated to those programs. Any expenses not directly chargeable are allocated to programs and support service classifications based on management estimates. For example, payroll expenses are allocated based on a percentage of the actual time worked by employees in each functional class. Expenses such as occupancy and other general expenses are allocated to support services based upon the CEO's time and effort allocation, with the remaining portion allocated to programs.

#### ***Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent 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.

#### ***Cash and Cash Equivalents***

For purposes of reporting cash flows, Girls Inc. considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

## Girls Inc. of San Antonio

Notes to Financial Statements  
June 30, 2022 and 2021

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### Note B: Summary of Accounting Principles (Continued)

#### *Property and Equipment*

Property and equipment are recorded at cost, if purchased, or if donated, at the fair market value at the date of donation. Costs for major improvements to fixed assets are capitalized. Expenditures for repairs and maintenance are expensed as incurred. Donations of property and equipment are reported as Without Donor Restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash must be used to acquire property and equipment are reported as With Donor Restrictions. Absent donor stipulations regarding how long those donated assets are placed in service as instructed by the donor, Girls Inc. reclassifies With Donor Restrictions to Without Donor Restrictions at that time. Girls Inc. capitalizes all expenditures for property and equipment in excess of \$5,000. Land and Construction in Progress are not depreciated.

Depreciation is computed for financial statement purposes on a straight-line basis over the estimated lives useful lives as follow:

Vehicles	5 years
Building	30 years

#### *Revenue Recognition*

##### Contributions and Grants

Girls Inc. recognizes contributions and grants when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Girls Inc. reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, With Donor Restrictions are reclassified to Without Donor Restrictions and reported in the Statement of Activities as Net Assets Released from Restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as Without Donor Restrictions.

##### Grants from State and Local Governments and Program Service Fees

Grants from State of Texas and City of San Antonio are either reimbursement contracts or fee for service contracts. Revenue derived from reimbursement contracts is recorded when expenses are incurred. Revenue derived from fee for service contracts and other program service fees is recognized in the period it is earned.

#### *Advertising Costs*

Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2022 and 2021 were \$272 and \$0, respectively.

#### *Fair Value of Financial Instruments*

Girls Inc.'s financial instruments include cash and cash equivalents, receivables, and payables. The carrying amount of these financial instruments as reflected in the Statements of Financial Position approximates fair value.

## Girls Inc. of San Antonio

Notes to Financial Statements  
June 30, 2022 and 2021

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### Note B: Summary of Accounting Principles (Continued)

#### ***Fair Value Measurements***

The Fair Value Measurements and Disclosures Topic of the FASB ASC, 820-10, defines fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurements, and expands disclosures about fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

- *Level 1* - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets that Girls Inc. 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.

#### ***Federal and State Income Taxes***

Girls Inc. is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying statements. In addition, Girls Inc. has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) for the Internal Revenue Code. There was no unrelated business income for the years ended June 30, 2022 and 2021. Girls Inc. is not subject to the Texas margin tax. Management is not aware of any tax position that would have a significant impact on its financial position.

#### ***Accounts Receivable***

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Uncollectible accounts receivable, including promises to give, are written off after management has made reasonable collection efforts and such receivables are then determined to be losses. As of June 30, 2022 and 2021, management believes all accounts receivable will be fully collected, and accordingly, no allowance for doubtful accounts is considered necessary.

#### ***Restricted Cash***

Girls Inc. is currently undergoing construction and building renovations. Included in restricted cash are amounts received from donors that are to be used towards construction and renovations. Restricted cash at June 30, 2022 and 2021 was **\$1,842,910** and \$456,382, respectively.

#### ***Donated Services, Materials, and Facilities***

Donated services, materials, and facilities are valued based on their estimated fair market value on the date of the contribution. A substantial number of volunteers donate significant amounts of their time to Girls Inc., and no amounts for these services are reflected in these financial statements because these services do not meet the criteria for recognition as a contribution in accordance with GAAP.

## Girls Inc. of San Antonio

Notes to Financial Statements  
June 30, 2022 and 2021

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### Note B: Summary of Accounting Principles (Continued)

#### ***Recently Issued Accounting Pronouncements***

##### Adopted During 2022

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective for fiscal years beginning after June 15, 2021 and interim periods within annual periods beginning after June 15, 2022. The FASB ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. Girls Inc. adopted the new provisions of this standard during the year ended June 30, 2022. There were no significant effects on the financial statements and related disclosures.

##### Future Adoption

In February 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*, effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. Under this new pronouncement, generally, leases with terms of more than 12 months will be recognized in the Statements of Financial Position as an asset (right to use leased asset) and a liability (lease liability). Management of Girls Inc. expects the impact to operations to be minimal and is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

#### ***Summarized Financial Information***

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Girls Inc.'s financial statements for the year ended June 30, 2021 from which the summarized information was derived.

### Note C: Risk and Uncertainty

#### ***Current Economic Events***

Certain current economic events have arisen which could impact Girls Inc.'s ongoing operations. As a result of the COVID-19 pandemic, mandated and voluntary closings have caused various business and supply chain disruptions which have an indeterminate duration. Additionally, the effects of economic stimulus programs and U.S. Federal Reserve actions remain uncertain. These matters could impact numerous facets of the business environment including interest rates, inflation, and the availability of goods, capital and labor. Any related financial impact cannot be reasonably estimated at this time.

## Girls Inc. of San Antonio

Notes to Financial Statements  
June 30, 2022 and 2021

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### Note D: Liquidity and Availability of Financial Assets

The following represents Girls Inc.'s financial assets at June 30, 2022 and 2021 available to meet general expenditures over the next twelve months:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and Cash Equivalents, including restricted cash	\$ 5,111,034	\$ 3,659,073
Accounts Receivable	182,453	287,218
Pledges Receivable, net	<u>1,110,266</u>	<u>1,219,515</u>
Total Financial Assets	<u>6,403,753</u>	<u>5,165,806</u>
Less those unavailable for general expenditures over the next twelve months due to:		
Net Assets with Donor Restrictions	3,606,707	2,082,079
Less net assets with timing restrictions to be met over the next twelve months	<u>(612,000)</u>	<u>(522,000)</u>
	<u>2,994,707</u>	<u>1,560,079</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,409,046</u>	<u>\$ 3,605,727</u>

Girls Inc. regularly monitors liquidity to meet its operating needs. Girls Inc.'s goal is generally to maintain financial assets to meet 90 days of operating expenses. Girls Inc. has various resources of liquidity at its disposal, including cash and cash equivalents, various receivables, and a line of credit.

### Note E: Pledges Receivable

Pledges receivable consist of unconditional promises to give from various contributors totaling **\$1,156,000** and \$1,295,000 at June 30, 2022 and 2021, respectively. The outstanding amounts pledged range from \$3,000 to \$400,000 and are to be received over a range of one to four years. The pledges have been discounted using the construction line of credit interest rate of **2.85%** and line of credit interest rate of 4.25%, at June 30, 2022 and 2021, respectively, to account for the present value of future cash flows.

Pledges Receivable are scheduled to be collected as follows at June 30, 2022:

2023	\$	612,000
2024		289,000
2025		155,000
2026		<u>100,000</u>
Total Pledges Receivable		1,156,000
Less: Net Present Value Discount		<u>(45,734)</u>
Total Pledges Receivable, Net of Discount		1,110,266
Less: Current Portion of Pledges Receivable		<u>(612,000)</u>
Long-Term Portion of Capital Campaign Pledges Receivable, Net of Discount	\$	<u>498,266</u>

## Girls Inc. of San Antonio

Notes to Financial Statements  
June 30, 2022 and 2021

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### Note F: Property and Equipment

Property and Equipment, Net of Accumulated Depreciation consisted of the following at June 30,:

	<u>2022</u>	<u>2021</u>
Vehicles	\$ 114,591	\$ 114,591
Land	383,640	383,640
Building	1,567,540	1,567,540
Construction in Progress (See Note K)	908,566	199,471
Total Property and Equipment	<u>2,974,337</u>	<u>2,265,242</u>
Less: Accumulated Depreciation	<u>(227,802)</u>	<u>(180,991)</u>
Property and Equipment, Net of Accumulated Depreciation	<u>\$ 2,746,535</u>	<u>\$ 2,084,251</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$46,810 and \$87,957, respectively.

### Note G: Paycheck Protection Program Loan

On May 1, 2020 and March 19, 2021, Girls Inc. received loan proceeds in the amount of \$136,100 (PPP 1) and \$138,132 (PPP 2), respectively, under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the businesses' average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. Girls Inc. used the PPP loan proceeds for purposes consistent with the PPP and applied for forgiveness within 10 months of the end of the covered period.

On April 1, 2021 and July 14, 2021, Girls Inc. was granted 100% forgiveness in the amount of \$136,100 on PPP 1 and \$138,132 on PPP 2, respectively, and was legally released from the loan obligation. The forgiveness income is included as Gain on Extinguishment of Debt – Forgiven PPP Loan in the amount of \$138,132 and \$136,100 the Statement of Activities for the years ended June 30, 2022 and 2021, respectively.

### Note H: Concentrations

#### *Credit Risk of Financial Instruments*

Financial instruments that potentially subject Girls Inc. to concentrations of credit risk consist of its cash balances at financial institutions if such balances exceed the amount insured by Federal Deposit Insurance Corporation (FDIC). Accounts at the financial institutions are insured by the FDIC up to \$250,000. At June 30, 2022 and 2021, Girls Inc.'s cash balances at financial institutions were in excess of the FDIC limit by \$4,603,892 and \$2,737,358, respectively. Girls Inc. has not experienced any losses in such accounts, and management believes there to be little exposure to any significant risk to cash on deposit with banks or investment companies.

#### *Support and Revenues*

The Organization received approximately 18% of total support and revenues from one foundation during 2022. The purpose of the funding is for the Organization's building renovation project.

## Girls Inc. of San Antonio

Notes to Financial Statements  
June 30, 2022 and 2021

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### Note I: Net Assets With Donor Restrictions

Net Assets With Donor Restrictions consisted of the following at June 30,:

	<u>2022</u>	<u>2021</u>
Restricted by Purpose		
Capital Campaign	\$ 1,842,910	\$ 787,079
Science Festival	34,754	-
Summer Programs	68,874	-
School Based Programs	47,113	-
Operation SMART	164,508	-
Leadership Programs	217,548	-
STEM	<u>75,000</u>	<u>-</u>
Restricted by Time		
Capital Campaign Pledge Receivables	<u>1,156,000</u>	<u>1,295,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 3,606,707</u>	<u>\$ 2,082,079</u>

### Note J: Line of Credit

#### *Operating Line of Credit*

Girls Inc. has a \$250,000 line of credit agreement with Broadway Bank that matured on June 17, 2022 and was renewed to mature on June 17, 2023. The line of credit is secured by all business assets owned by Girls Inc and bears an interest rate of prime plus 1.00%, or **5.75%** and 4.25% at June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, the line of credit balance was **\$0**.

#### *Construction Line of Credit*

In November 2021, Girls Inc. entered into a line of credit agreement for \$3 million with Frost Bank. The line of credit is secured by capital campaign pledge receivables. The line of credit matures on November 10, 2026 and bears an interest rate of 2.85%. At June 30, 2022, the line of credit balance was \$0 as no draws for constructions costs had been made as of this date.

### Note K: Commitments and Contingencies

The Organization engaged a general contractor for the completion of Girls Inc. building renovations that commenced during 2022. The following represents the Organization's construction commitment at June 30, 2022:

Total Contract	\$ 845,186
Less: Payments Made as of June 30, 2022	(496,357)
Less: Construction Retainage at June 30, 2022	<u>(55,151)</u>
Remaining Commitment	<u>\$ 293,678</u>

Construction retainage payable of \$55,151 is included in Accrued Liabilities on the Statement of Financial Position as of June 30, 2022.

## **Girls Inc. of San Antonio**

Notes to Financial Statements  
June 30, 2022 and 2021

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### **Note L: Reclassification**

Certain amounts in the 2021 presentation have been reclassified to conform to the 2022 presentation.

### **Note M: Subsequent Events**

Subsequent events have been evaluated through March 9, 2023, which is the date the financial statements were available to be issued.

### ***New Market Tax Credit***

On September 27, 2022, Girls Inc. entered into transactions involving New Market Tax Credit (NMTC) financing. Provided under Section 45D of the Internal Revenue Code, the purpose of the credit is to encourage investment in low-income community businesses, while also effectively reducing the borrowing or financing costs to the businesses. Girls Inc. intends to use the NMTC financing towards the construction, development, and improvement of its current facilities.