

**GIRLS INCORPORATED OF
ORANGE COUNTY**

FINANCIAL STATEMENTS

DECEMBER 31, 2018

**(WITH SUMMARIZED
COMPARATIVE INFORMATION FOR 2017)**

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Mark Gray, C.P.A.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Girls Incorporated of Orange County

We have audited the accompanying financial statements of Girls Incorporated of Orange County (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditor's 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.

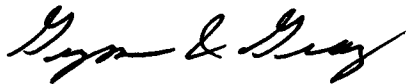
INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls Incorporated of Orange County as of December 31, 2018, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2017 financial statements, and our report dated March 30, 2018 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is in all material respects, with the audited financial statements from which it has been derived.



GUZMAN & GRAY
Long Beach, CA
August 29, 2019

GIRLS INCORPORATED
OF
ORANGE COUNTY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018
(with summarized comparative information for 2017)

ASSETS				
	Without Donor Restriction	With Donor Restriction	December 31,	
			2018	2017
Current Assets				
Cash and Cash Equivalents	\$ 633,737	\$ 168,860	\$ 802,597	\$ 602,041
Certificates of Deposit	75,752		75,752	76,497
Pledges and Grants Receivable	73,172	48,652	121,824	87,500
Prepaid Expenses	110,872		110,872	9,556
Total Current Assets	893,533	217,512	1,111,045	775,594
Long Term Pledges Receivable, net		19,618	19,618	30,246
Land, Building and Equipment, net	198,749		198,749	210,836
TOTAL ASSETS	\$ 1,092,282	\$ 237,130	\$ 1,329,412	\$ 1,016,676
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable and Accrued Expenses	\$ 4,382		\$ 4,382	\$ 13,312
Accrued Payroll and Payroll Taxes	49,397		49,397	45,225
Accrued Vacation	36,064		36,064	43,369
Deferred Revenue	93,007		93,007	101,659
Total Current Liabilities	182,850		182,850	203,655
NET ASSETS	909,432	\$ 237,130	1,146,562	813,111
TOTAL LIABILITIES AND NET ASSETS	\$ 1,092,282	\$ 237,130	\$ 1,329,412	\$ 1,016,676

See Independent Auditors' Report and Accompanying Notes to the Financial Statements

GIRLS INCORPORATED
OF
ORANGE COUNTY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018
(with summarized comparative information for 2017)

	Without Donor Restriction	With Donor Restriction	December 31,	
			2018	2017
REVENUE AND OTHER SUPPORT				
REVENUE				
Program Activities	\$ 136,536		\$ 136,536	\$ 134,818
Interest	1,995		1,995	1,977
	<u>138,531</u>		<u>138,531</u>	<u>136,795</u>
OTHER SUPPORT				
United Way	87	\$ 50,000	50,087	66,032
Government Grants	17,865		17,865	23,406
Private Grants	1,092,289	300,000	1,392,289	1,014,112
Contributions	585,450		585,450	614,635
Gain on Disposal of Fixed Assets	12,414		12,414	10,300
Unrealized Loss	(2,312)		(2,312)	(465)
Miscellaneous Income	868		868	370
In-Kind Income	34,518		34,518	
Fundraising Events	\$ 428,260			
Less: Cost of Donor Benefit Expenses	<u>(87,631)</u>		<u>340,629</u>	<u>275,743</u>
	2,081,808	350,000	2,431,808	2,004,133
NET ASSETS RELEASED FROM RESTRICTIONS	<u>251,264</u>	<u>(251,264)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND OTHER SUPPORT	<u>2,471,603</u>	<u>98,736</u>	<u>2,570,339</u>	<u>2,140,928</u>
EXPENSES				
Program Services	1,678,975		1,678,975	1,535,261
Management and General	155,334		155,334	131,647
Fundraising	402,579		402,579	377,990
TOTAL EXPENSES	<u>2,236,888</u>		<u>2,236,888</u>	<u>2,044,898</u>
CHANGE IN NET ASSETS	234,715	98,736	333,451	96,030
BEGINNING NET ASSETS	<u>674,717</u>	<u>138,394</u>	<u>813,111</u>	<u>717,081</u>
ENDING NET ASSETS	<u>\$ 909,432</u>	<u>\$ 237,130</u>	<u>\$ 1,146,562</u>	<u>\$ 813,111</u>

See Independent Auditors' Report and Accompanying Notes to the Financial Statements

GIRLS INCORPORATED
OF
ORANGE COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(with summarized comparative information for 2017)

	December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 333,451	\$ 96,030
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	24,989	37,010
Gain on Disposal of Assets	(12,415)	(10,300)
Unrealized (Gain)/Loss	2,312	465
Dividends Reinvestment	(1,567)	(1,577)
(Increase) decrease in:		
Pledges and Grants Receivable	(23,696)	68,056
Prepaid Expense	(101,316)	5,542
Increase (decrease) in:		
Accounts Payable and Accrued Expenses	(8,930)	(7,749)
Accrued Payroll and Payroll Taxes	4,173	629
Accrued Vacation	(7,305)	(8,314)
Deferred Revenue	(8,652)	(93,919)
Net Cash Provided by Operating Activities	201,044	85,873
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15,488)	(634)
Proceeds from Sale of Fixed Assets	15,000	10,300
Net Cash Provided by (Used in) Investing Activities	(488)	9,666
NET CHANGE IN CASH	200,556	95,539
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	602,041	506,502
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 802,597	\$ 602,041
 <u>SUPPLEMENTAL DISCLOSURES</u>		
INTEREST PAID	NONE	NONE
TAXES PAID	NONE	NONE

See Independent Auditors' Report and Accompanying Notes to the Financial Statements

GIRLS INCORPORATED
OF
ORANGE COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
(with summarized comparative information for 2017)

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	December 31,	
				2018	2017
Salaries and Wages	\$ 987,323	\$ 86,470	\$ 121,237	\$ 1,195,030	\$ 1,175,953
Program Expenses	218,450			218,450	227,043
Employee Benefits	88,852	5,183	16,235	110,270	114,585
Pension Expense	16,118	251	2,611	18,980	15,327
Payroll Taxes	98,165	10,851	20,326	129,342	105,559
Office Supplies and Expenses	56,921	9,083	31,246	97,250	53,654
Equipment Expense	50,626	4,986	11,840	67,452	54,472
Postage	2,525	220	1,347	4,092	4,228
Printing	3,973	315	2,524	6,812	4,227
Event Expenses			180,626	180,626	143,410
Insurance	16,388	1,652	4,955	22,995	22,255
Professional Services		11,780		11,780	9,950
Consultants			59,950	59,950	58,200
Repair and Maintenance	22,091	5,655	8,915	36,661	27,778
Depreciation	22,878	943	1,168	24,989	37,010
Marketing	3,373	155	1,148	4,676	8,158
Vehicle Expenses	14,099	1,003	204	15,306	7,267
Utilities and Telephone	6,281	426	1,242	7,949	12,876
Girls Incorporated National Dues	12,000			12,000	12,000
Dues	786	87	1,808	2,681	3,453
Other Taxes	1,511	123	3,117	4,751	1,615
Travel and Meetings	8,862	1,204	3,315	13,381	914
Bank and Credit Card Charges	2,045	403	15,885	18,333	13,542
Miscellaneous Expense	11,188	14,545	512	26,245	
In-Kind Expense	34,518			34,518	
	<u>1,678,975</u>	<u>155,334</u>	<u>490,210</u>	<u>2,324,519</u>	<u>2,113,476</u>
Less: Direct Donor Benefit			(87,631)	(87,631)	(68,578)
TOTAL EXPENSES	<u>\$ 1,678,975</u>	<u>\$ 155,334</u>	<u>\$ 402,579</u>	<u>\$ 2,236,888</u>	<u>\$ 2,044,898</u>
	75.06%	6.94%	18.00%	100%	

See Independent Auditors' Report and Accompanying Notes to the Financial Statements

GIRLS INCORPORATED OF
ORANGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018
(with summarized comparative information for 2017)

NOTE 1 - ORGANIZATION

Girls Incorporated of Orange County (GIOC) is a non-profit youth development organization serving girls ages 5 – 18 in Orange County since 1954. Its mission is to inspire all girls to be strong, smart and bold. GIOC is an affiliate of the Girls Incorporated national organization which is one of the nation's leading research and evaluation organizations on issues pertaining to girls and young women. GIOC is unique in providing programs developed by both the national organization and GIOC locally that have proven to be effective in teaching girls to be strong, smart and bold. GIOC provides programs for girls during the school year and summer at the GIOC facility in Costa Mesa and at elementary, middle, and high school sites throughout Orange County, also college campuses, community centers and juvenile detention facilities. All programs are delivered with a youth development approach that addresses the comprehensive needs of girls and their families and encompasses areas such as Health & Nutrition, Physical Fitness, Healthy Body Image, Prevention of Personal Violence and Substance Abuse, Science, Technology, Engineering, and Math (STEM), Literacy, Financial Literacy, College and Career Planning, Personal Safety, Leadership and Advocacy. GIOC programs serve more than 3,500 girls throughout Orange County in 2018. More than 75% of those girls are considered to be low to moderately low income.

GIOC is affiliated with Girls Incorporated national network of 83 affiliates that operate in over 1,500 centers and programming sites in 300 cities across North America and Canada. Girls Incorporated offers educational programs and activities in an equitable environment to help prepare girls for confident and responsible adulthood, economic independence, and personal fulfillment. The cost of this year's affiliation is an annual fee equivalent to approximately one percent (1%) of expenses with a maximum of \$12,000.

GIOC funds its operations through fundraising, events, soliciting individual and corporate donors, grants and through some fee-based programs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles accepted in the United States of America. Net assets and revenue, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets are classified and reported as:

GIRLS INCORPORATED OF
ORANGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018
(with summarized comparative information for 2017)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Without Donor Restrictions – Those resources not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

With Donor Restrictions – Those resources subject to donor imposed restrictions that will be satisfied by action of the Organization or by the passage of time.

The Organization has elected to present contributions with donor restrictions that are fulfilled in the same period within the net assets without donor restrictions class.

Pledges and grants

Pledges and grants are recorded in the financial statements when the donor makes a written promise to give that is in substance unconditional even though these pledges and grants may be paid over subsequent years. Donor-restricted pledges and grants are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with restrictions are reclassified to without donor restrictions. Donor restricted pledges and grants whose restrictions are met in the same reporting period, are reported as without donor restriction. Net assets that are legally without restriction, including any cash internally designated by GIOC's Board of Directors, are reported as part of the without restriction class. An allowance for uncollectible pledges and grants receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

GIOC may be named as a beneficiary in various wills and trusts from time to time or may be negotiating receipt of pledges, but due to the contingent nature of the receipt and amount of such funds, no amounts are recorded until they become unconditional.

In Kind Contributed Materials and Services

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate.

Contributed services are recorded at fair value at the date of donation only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. A substantial number of business and unpaid volunteers have made significant contributions of time and equipment use to GIOC project development, fundraising, and operations.

GIRLS INCORPORATED OF
ORANGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018
(with summarized comparative information for 2017)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

GIOC considers all highly-liquid investments, which are readily convertible to known amounts of cash and which have an original maturity of three months or less, to be cash equivalents. Certificates of deposit are recorded at cost. Certificates of deposit with maturities greater than three months as of December 31, 2018 and 2017 totaled \$75,752 and \$76,497, respectively.

Accounting Estimates

Preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Land Building and Equipment

Land, Building and Equipment are stated at cost or if contributed, at fair market value at the date of contribution. Depreciation is computed under the straight line method, with estimated useful lives ranging from three to five years. Additions and improvements that increase the capacity or lengthen the useful lives of the assets are capitalized. Repairs and maintenance are expensed as incurred.

Deferred Revenue

Certain revenues are received during the year for activities to be held in the next fiscal year. These revenues are deferred into the next years' operations. Deferred revenue at the years ended December 31, 2018 and 2017 were \$93,007 and \$101,659, respectively.

Functional Allocation of Expenses

The costs of providing GIOC's program and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated between the program and supporting services benefited. During the years ended December 31, 2018 and 2017, 75.06% and 75.08% of expenses were allocated to program services, respectively.

Income Taxes

GIOC is a qualified nonprofit organization that is exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code and Section 23701 of the California Revenue Code. This exemption is for all income taxes except for those assessed on unrelated business income, if any. The Internal Revenue Service has classified GIOC as "other than a private foundation".

GIRLS INCORPORATED OF
ORANGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018
(with summarized comparative information for 2017)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

GIOC evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the tax positions will more than likely than not to be sustained upon examination. As of December 31, 2018, management does not believe GIOC has any uncertain tax positions requiring accrual or disclosure. GIOC is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in accordance with accounting principles generally accepted in the United States of America when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (ASU 2016-02). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Organization is currently evaluating the impact of the adoption of the new standard on the financial statements.

GIRLS INCORPORATED OF
ORANGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018
(with summarized comparative information for 2017)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements (Continued)

In August 18, 2016, FASB issued ASU 2016-14, Not-for-profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

In June, 2018 the FASB issued ASU 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08), which provides additional guidance on characterizing grants and similar contracts with resource provider as either exchange transactions or contributions. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Reporting of Subsequent Events

GIOC has evaluated events and transactions for potential recognition or disclosure through August 29, 2019, which represents the date the financial statements were available to be issued.

Fair Value of Financial Instruments

Generally accepted accounting principles (GAAP) define fair value as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. GAAP also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

GIRLS INCORPORATED OF
ORANGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018
(with summarized comparative information for 2017)

NOTE 2 – PLEDGES AND GRANTS RECEIVABLE

During the year, the pledges and grants receivable consists of single year promises from individuals, corporations, and foundations and two multi-year promises from individual donors. The pledge receivables to be received in more than one year are discounted at 3.5%. Pledges and grants receivables at December 31, 2018 are as follows:

Pledges and grants receivables at December 31, 2018 are as follows:

<u>Year Ending December 31,</u>	
2019	\$ 121,824
2020	11,000
2021	11,000
2022	<u>1,000</u>
	144,824
Less present value discount	(<u>3,382</u>)
Pledges to give, net	141,442
Less current portion, net	(<u>121,824</u>)
Long term portion, net	<u>\$ 19,618</u>

Pledges and grants receivables at December 31, 2017 are as follows:

<u>Year Ending December 31,</u>	
2018	\$ 87,500
2019	11,000
2020	11,000
2021	11,000
Thereafter	<u>1,000</u>
	121,500
Less present value discount	(<u>3,754</u>)
Pledges to give, net	117,746
Less current portion, net	(<u>87,500</u>)
Long term portion, net	<u>\$ 30,246</u>

GIRLS INCORPORATED OF
ORANGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018
(with summarized comparative information for 2017)

NOTE 3 – ANNUAL FUNDRAISING EVENTS

GIOC conducts an annual fundraising event to assist in funding program operations. All revenue received in excess of expenses from this event is used for the current program operations. The costs that are direct benefits to the donors are included in the Donor Benefit Expenses. The annual fundraising event's revenues and expenses are as follows for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Gross Revenue	\$ 428,260	\$ 344,321
Donor Benefit Expenses	(87,631)	(68,578)
Revenue net of Donor Benefit Expenses	<u>\$ 340,629</u>	<u>\$ 275,743</u>

NOTE 4 - LAND, BUILDING AND EQUIPMENT

Land, Building and Equipment consist of the following:

	<u>2018</u>	<u>2017</u>
Land	\$ 22,000	\$ 22,000
Building	446,917	446,917
Furniture and Equipment	310,339	304,851
Vehicles	44,000	79,810
Website Upgrade	10,000	0
	<u>833,256</u>	<u>853,578</u>
Less: Accumulated Depreciation	(634,507)	(642,742)
Land, Building, and Equipment, net	<u>\$ 198,749</u>	<u>\$ 210,836</u>

Depreciation for the years ended December 31, 2018 and 2017 were \$24,989 and \$37,010, respectively.

GIRLS INCORPORATED OF
ORANGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018
(with summarized comparative information for 2017)

NOTE 5 – LEASES

In 2017, GIOC renewed an equipment lease which expires in 2022. The lease agreement requires a monthly lease payment of \$367.

Future minimum rental payments required under operating leases that have an initial or remaining non-cancellable lease term in excess of one year as of December 31, 2018 are:

<u>Year Ending December 31,</u>	
2019	\$ 4,404
2020	4,404
2021	4,404
2022	4,404
	<u>\$ 17,616</u>

NOTE 6 - NET ASSETS WITH RESTRICTIONS

Net assets with restriction activity at December 31, 2018 consists of the following:

	<u>Assets with Donor Imposed Time Restrictions</u>	<u>Assets with Donor Imposed Purpose Restrictions</u>	<u>Total Net Assets With Donor Restrictions</u>
Beginning Balance	\$ 81,246	\$ 57,148	\$ 138,934
Contribution		350,000	350,000
Release	(40,476)	(210,788)	(251,264)
Ending Balance	<u>\$ 40,770</u>	<u>\$ 196,360</u>	<u>\$ 237,130</u>
Purpose Restrictions			
Early Reading Program		\$ 37,500	
STEM		73,912	
Construction and Renovation		72,661	
Literacy Lab		12,287	
Total		<u>\$ 196,360</u>	

GIRLS INCORPORATED OF
ORANGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018
(with summarized comparative information for 2017)

NOTE 6 - NET ASSETS WITH RESTRICTIONS (CONTINUED)

Net assets with restriction activity at December 31, 2017 consists of the following:

	Assets with Donor Imposed Time Restrictions	Assets with Donor Imposed Purpose Restrictions	Total Net Assets With Donor Restrictions
Beginning Balance	\$ 120,479	\$ 166,254	\$ 286,733
Contribution		107,500	107,500
Release	(39,233)	(216,606)	(255,839)
Ending Balance	<u>\$ 81,246</u>	<u>\$ 57,148</u>	<u>\$ 138,394</u>
Purpose Restrictions			
Early Reading Program		\$ 48,750	
College Bound		8,398	
Total		<u>\$ 57,148</u>	

NOTE 7 - CONCENTRATION OF CREDIT RISK

GIOC maintains cash in a financial institution which may, at times, exceed FDIC insured maximum deposit insurance amount of \$250,000. Uninsured balances were \$626,903 and \$271,263 at December 31, 2018 and 2017, respectively.

Cash and cash equivalents and certificate of deposit balances deposited and maintained by financial institutions and brokerage firms differ from cash and cash equivalents and investments presented in the statement of financial position due to timing differences of financial institution bank account balances and classification of money market account balances held at brokerage firms.

GIOC operates in Southern California and is subject to fluctuations in the local economy which could impact contributions, specifically grants and donations.

NOTE 8 – PENSION PLAN

GIOC adopted a SIMPLE IRA plan in 1998. Eligible employees who are below age 50 may contribute a percentage of their salary, up to \$12,000. Employees who are age 50 and over, may contribute up to \$15,500. GIOC may match their contribution up to the lesser of 3% of their annual salary or \$6,000. Matching contributions for the years ended December 31, 2018 and 2017 were \$18,980 and \$15,327, respectively.

GIRLS INCORPORATED OF
ORANGE COUNTY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018
(with summarized comparative information for 2017)

NOTE 9 – LIQUIDITY AND AVAILABILITY

The Organization maintains and manages adequate operating funds per policies set by the board of directors.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash	\$ 802,597
Less Cash Held With Restriction	<u>(168,860)</u>
Total	<u>\$ 633,737</u>