

*Financial Statements  
and Independent Auditors' Report*

**girls  
inc.**

**of Orange County**

*December 31, 2022 and 2021*

*Financial Statements and Independent Auditors' Report*

**girls  
inc.**

**of Orange County**

**GIRLS INC. OF ORANGE COUNTY**

*As of and for the Years Ended December 31, 2022 and 2021*

# GIRLS INC. OF ORANGE COUNTY

## Table of Contents

|  | <b><u>Page</u></b> |
|--|--------------------|
| <b>Independent Auditors' Report</b>                |                    |
| <b>Financial Statements</b>                        |                    |
| Statements of Financial Position                   | 3 - 4              |
| Statements of Activities and Changes in Net Assets | 5 - 6              |
| Statements of Functional Expenses                  | 7 - 8              |
| Statements of Cash Flows                           | 9                  |
| Notes to Financial Statements                      | 10                 |

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Girls Inc. of Orange County

### ***Opinion***

We have audited the accompanying financial statements of Girls Inc. of Orange County (the “Nonprofit Organization”), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nonprofit Organization as of December 31, 2022 and 2021, 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.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Nonprofit Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nonprofit Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' report

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

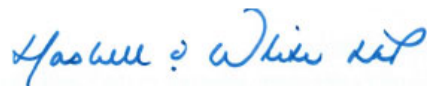
### *Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

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.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nonprofit Organization'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 the Nonprofit Organization'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.



HASKELL & WHITE LLP

Irvine, California  
June 7, 2023

## GIRLS INC. OF ORANGE COUNTY

### Statement of Financial Position As of December 31, 2022

| <b>ASSETS</b>                                   |   |  |                     |
|---|---|--|---------------------|
|   | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With<br/>Donor<br/>Restrictions</u> | <u>Total</u>        |
| <b>Current assets</b>                           |   |  |                     |
| Cash and cash equivalents                       | \$ 1,176,788                              | \$ 736,572                             | \$ 1,913,360        |
| Investments                                     | 1,324,774                                 | -                                      | 1,324,774           |
| Pledges and grants receivable                   | 469,544                                   | 81,000                                 | 550,544             |
| Inventory and other assets                      | 107,353                                   | -                                      | 107,353             |
| Prepaid expenses                                | 174,609                                   | -                                      | 174,609             |
| <b>Total current assets</b>                     | <u>3,253,068</u>                          | <u>817,572</u>                         | <u>4,070,640</u>    |
| <b>Noncurrent assets</b>                        |   |  |                     |
| Pledges and grants receivable, net              | -   | 326,123                                | 326,123             |
| Investments (Note 5)                            | 2,384,872                                 | -                                      | 2,384,872           |
| Property and equipment, net                     | 45,668                                    | -                                      | 45,668              |
| Operating lease right-of-use asset              | 138,825                                   | -                                      | 138,825             |
| Security deposit                                | 2,520                                     | -                                      | 2,520               |
| <b>Total noncurrent assets</b>                  | <u>2,571,885</u>                          | <u>326,123</u>                         | <u>2,898,008</u>    |
| <b>Total assets</b>                             | <u>\$ 5,824,953</u>                       | <u>\$ 1,143,695</u>                    | <u>\$ 6,968,648</u> |
| <b>LIABILITIES AND NET ASSETS</b>               |   |  |                     |
| <b>Current liabilities</b>                      |   |  |                     |
| Accounts payable and accrued expenses           | \$ 118,300                                | \$ -                                   | \$ 118,300          |
| Accrued payroll and payroll taxes               | 89,340                                    | -                                      | 89,340              |
| Accrued vacation                                | 101,048                                   | -                                      | 101,048             |
| Deferred revenue                                | 11,000                                    | -                                      | 11,000              |
| <b>Total current liabilities</b>                | <u>319,688</u>                            | <u>-</u>                               | <u>319,688</u>      |
| <b>Noncurrent liabilities</b>                   |   |  |                     |
| Operating lease liability, less current portion | 88,430                                    | -                                      | 88,430              |
| <b>Total liabilities</b>                        | <u>408,118</u>                            | <u>-</u>                               | <u>408,118</u>      |
| <b>Commitments and contingencies (Note 13)</b>  |   |  |                     |
| <b>Net assets</b>                               | <u>5,416,835</u>                          | <u>1,143,695</u>                       | <u>6,560,530</u>    |
| <b>Total liabilities and net assets</b>         | <u>\$ 5,824,953</u>                       | <u>\$ 1,143,695</u>                    | <u>\$ 6,968,648</u> |

See notes to financial statements.

**GIRLS INC. OF ORANGE COUNTY**

**Statement of Financial Position  
As of December 31, 2021**

| <b>ASSETS</b>                                  |   |  |                     |
|--|---|--|---------------------|
|  | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With<br/>Donor<br/>Restrictions</u> | <u>Total</u>        |
| <b>Current assets</b>                          |   |  |                     |
| Cash and cash equivalents                      | \$ 808,368                                | \$ 606,336                             | \$ 1,414,704        |
| Investments                                    | 1,328,843                                 | -                                      | 1,328,843           |
| Pledges and grants receivable                  | 363,539                                   | 51,000                                 | 414,539             |
| Inventory                                      | 170,898                                   | -                                      | 170,898             |
| Prepaid expenses                               | 300,915                                   | -                                      | 300,915             |
| <b>Total current assets</b>                    | <u>2,972,563</u>                          | <u>657,336</u>                         | <u>3,629,899</u>    |
| <b>Noncurrent assets</b>                       |   |  |                     |
| Pledges and grants receivable                  | -   | 436,780                                | 436,780             |
| Investments (Note 5)                           | 2,384,872                                 | -                                      | 2,384,872           |
| Property and equipment, net                    | 57,571                                    | -                                      | 57,571              |
| Security deposit                               | 2,520                                     | -                                      | 2,520               |
| <b>Total noncurrent assets</b>                 | <u>2,444,963</u>                          | <u>436,780</u>                         | <u>2,881,743</u>    |
| <b>Total assets</b>                            | <u>\$ 5,417,526</u>                       | <u>\$ 1,094,116</u>                    | <u>\$ 6,511,642</u> |
| <b>LIABILITIES AND NET ASSETS</b>              |   |  |                     |
| <b>Current liabilities</b>                     |   |  |                     |
| Accounts payable and accrued expenses          | \$ 28,590                                 | \$ -                                   | \$ 28,590           |
| Accrued payroll and payroll taxes              | 70,124                                    | -                                      | 70,124              |
| Accrued vacation                               | 83,626                                    | -                                      | 83,626              |
| Deferred revenue                               | 130,958                                   | -                                      | 130,958             |
| <b>Total current liabilities</b>               | <u>313,298</u>                            | <u>-</u>                               | <u>313,298</u>      |
| <b>Commitments and contingencies (Note 13)</b> |   |  |                     |
| <b>Net assets</b>                              | <u>5,104,228</u>                          | <u>1,094,116</u>                       | <u>6,198,344</u>    |
| <b>Total liabilities and net assets</b>        | <u>\$ 5,417,526</u>                       | <u>\$ 1,094,116</u>                    | <u>\$ 6,511,642</u> |

See notes to financial statements.

**GIRLS INC. OF ORANGE COUNTY**

**Statement of Activities and Changes in Net Assets  
For The Year Ended December 31, 2022**

|  | Without<br>Donor<br>Restrictions | With<br>Donor<br>Restrictions | Total               |
|--|----------------------------------|-------------------------------|---------------------|
| <b>Revenue, support and gains</b>        |                                  |                               |                     |
| Private grants                           | \$ 957,388                       | \$ 763,017                    | \$ 1,720,405        |
| Contributions                            | 1,109,980                        | 41,344                        | 1,151,324           |
| Program activities                       | 277,327                          | -                             | 277,327             |
| In-kind income                           | 211,503                          | -                             | 211,503             |
| Investment loss, net                     | (570,467)                        | -                             | (570,467)           |
| Fundraising events                       | 945,387                          | -                             | 945,387             |
| Less: Costs of direct benefits to donors | (323,718)                        | -                             | (323,718)           |
| <b>Total revenue, support and gains</b>  | <u>2,607,400</u>                 | <u>804,361</u>                | <u>3,411,761</u>    |
| Net assets released from restriction     | 754,782                          | (754,782)                     | -                   |
| <b>Total revenue, support and gains</b>  | <u>3,362,182</u>                 | <u>49,579</u>                 | <u>3,411,761</u>    |
| <b>Expenses</b>                          |                                  |                               |                     |
| Program services                         | 2,224,127                        | -                             | 2,224,127           |
| Management and general                   | 333,070                          | -                             | 333,070             |
| Fundraising                              | 492,378                          | -                             | 492,378             |
| <b>Total expenses</b>                    | <u>3,049,575</u>                 | <u>-</u>                      | <u>3,049,575</u>    |
| <b>Change in net assets</b>              | 312,607                          | 49,579                        | 362,186             |
| <b>Net assets, beginning of year</b>     | <u>5,104,228</u>                 | <u>1,094,116</u>              | <u>6,198,344</u>    |
| <b>Net assets, end of year</b>           | <u>\$ 5,416,835</u>              | <u>\$ 1,143,695</u>           | <u>\$ 6,560,530</u> |

See notes to financial statements.



**GIRLS INC. OF ORANGE COUNTY**

**Statement of Activities and Changes in Net Assets  
For The Year Ended December 31, 2021**

|  | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With<br/>Donor<br/>Restrictions</u> | <u>Total</u>        |
|--|---|--|---------------------|
| <b>Revenue, support and gains</b>        |   |  |                     |
| Private grants                           | \$ 995,964                                | \$ 406,336                             | \$ 1,402,300        |
| Contributions                            | 301,227                                   | 686,780                                | 988,007             |
| Program activities                       | 62,105                                    | -                                      | 62,105              |
| Paycheck protection program (Note 8)     | 289,274                                   | -                                      | 289,274             |
| Employee retention credits (Note 10)     | 403,192                                   | -                                      | 403,192             |
| Miscellaneous income                     | 13,801                                    | -                                      | 13,801              |
| In-kind income                           | 104,907                                   | -                                      | 104,907             |
| Investment returns, net                  | 242,750                                   | -                                      | 242,750             |
| Fundraising events                       | 608,567                                   | -                                      | 608,567             |
| Less: Costs of direct benefits to donors | <u>(107,016)</u>                          | <u>-</u>                               | <u>(107,016)</u>    |
| <b>Total revenue, support and gains</b>  | <u>2,914,771</u>                          | <u>1,093,116</u>                       | <u>4,007,887</u>    |
| Net assets released from restriction     | <u>290,196</u>                            | <u>(290,196)</u>                       | <u>-</u>            |
| <b>Total revenue, support and gains</b>  | <u>3,204,967</u>                          | <u>802,920</u>                         | <u>4,007,887</u>    |
| <b>Expenses</b>                          |   |  |                     |
| Program services                         | 1,543,848                                 | -                                      | 1,543,848           |
| Management and general                   | 301,628                                   | -                                      | 301,628             |
| Fundraising                              | <u>282,758</u>                            | <u>-</u>                               | <u>282,758</u>      |
| <b>Total expenses</b>                    | <u>2,128,234</u>                          | <u>-</u>                               | <u>2,128,234</u>    |
| <b>Change in net assets</b>              | 1,076,733                                 | 802,920                                | 1,879,653           |
| <b>Net assets, beginning of year</b>     | <u>4,027,495</u>                          | <u>291,196</u>                         | <u>4,318,691</u>    |
| <b>Net assets, end of year</b>           | <u>\$ 5,104,228</u>                       | <u>\$ 1,094,116</u>                    | <u>\$ 6,198,344</u> |

See notes to financial statements.

## GIRLS INC. OF ORANGE COUNTY

### Statement of Functional Expenses For The Year Ended December 31, 2022

|  | Program<br>Services | Management<br>and General | Fundraising       | Costs of Direct<br>Benefits to Donors | Total               |
|--|---------------------|---------------------------|-------------------|---------------------------------------|---------------------|
| Salaries and wages   | \$ 1,337,535        | \$ 212,756                | \$ 232,123        | \$ -                                  | \$ 1,782,414        |
| Program  | 308,244             | -                         | -                 | -                                     | 308,244             |
| Employee benefits  | 82,106              | 27,496                    | 2,935             | -                                     | 112,537             |
| Pension  | 12,289              | 9,010                     | 3,470             | -                                     | 24,769              |
| Payroll taxes  | 98,080              | 15,601                    | 17,021            | -                                     | 130,702             |
| Occupancy  | 45,493              | 5,870                     | 4,403             | -                                     | 55,766              |
| Office   | 30,766              | 10,678                    | 2,977             | -                                     | 44,421              |
| Equipment  | 12,455              | 1,607                     | 1,205             | -                                     | 15,267              |
| Postage  | 2,456               | 317                       | 238               | -                                     | 3,011               |
| Printing   | 3,178               | 410                       | 308               | -                                     | 3,896               |
| Events   | 14,142              | -                         | 52,601            | 294,964                               | 361,707             |
| Insurance  | 25,740              | 3,321                     | 2,491             | -                                     | 31,552              |
| Professional services  | 40,970              | 13,016                    | 40,753            | -                                     | 94,739              |
| Depreciation   | 23,136              | 2,985                     | 2,239             | -                                     | 28,360              |
| Communication and marketing  | 62,831              | 8,107                     | 6,808             | -                                     | 77,746              |
| Utilities and telephone  | 10,032              | 4,644                     | 3,762             | -                                     | 18,438              |
| Dues and subscriptions   | -                   | 3,926                     | -                 | -                                     | 3,926               |
| Other taxes  | -                   | 965                       | -                 | -                                     | 965                 |
| Travel and meetings  | -                   | 11,361                    | -                 | -                                     | 11,361              |
| Bank and credit card charges   | 11,619              | -                         | 4,980             | -                                     | 16,599              |
| Bad debts  | -                   | 1,000                     | -                 | -                                     | 1,000               |
| In-kind  | 103,055             | -                         | 114,064           | 28,754                                | 245,873             |
|  | <u>2,224,127</u>    | <u>333,070</u>            | <u>492,378</u>    | <u>323,718</u>                        | <u>3,373,293</u>    |
| Less: expenses included with revenue, support and gains on<br>the statement of activities and changes in net assets: |                     |                           |                   |                                       |                     |
| Costs of direct benefits to donors   | -                   | -                         | -                 | (323,718)                             | (323,718)           |
|  | <u>-</u>            | <u>-</u>                  | <u>-</u>          | <u>(323,718)</u>                      | <u>(323,718)</u>    |
| Total expenses   | <u>\$ 2,224,127</u> | <u>\$ 333,070</u>         | <u>\$ 492,378</u> | <u>\$ -</u>                           | <u>\$ 3,049,575</u> |
|  | 73%                 | 11%                       | 16%               |                                       | 100%                |

See notes to financial statements.

## GIRLS INC. OF ORANGE COUNTY

### Statement of Functional Expenses For The Year Ended December 31, 2021

|  | Program<br>Services | Management<br>and General | Fundraising | Costs of Direct<br>Benefits to Donors | Total        |
|--|---------------------|---------------------------|-------------|---------------------------------------|--------------|
| Salaries and wages   | \$ 1,004,211        | \$ 187,252                | \$ 156,515  | \$ -                                  | \$ 1,347,978 |
| Program  | 140,578             | -                         | -           | -                                     | 140,578      |
| Employee benefits  | 53,522              | 19,183                    | 2,027       | -                                     | 74,732       |
| Pension  | 11,177              | 4,726                     | 452         | -                                     | 16,355       |
| Payroll taxes  | 64,809              | 12,085                    | 10,101      | -                                     | 86,995       |
| Occupancy  | 37,213              | 3,544                     | 7,088       | -                                     | 47,845       |
| Office   | 9,043               | 6,226                     | 2,009       | -                                     | 17,278       |
| Equipment  | 3,716               | 1,032                     | 826         | -                                     | 5,574        |
| Postage  | 1,858               | 516                       | 413         | -                                     | 2,787        |
| Printing   | 1,038               | 288                       | 231         | -                                     | 1,557        |
| Events   | 7,280               | -                         | 24,069      | 107,016                               | 138,365      |
| Insurance  | 6,406               | 7,508                     | 1,424       | -                                     | 15,338       |
| Professional services  | 40,387              | 31,805                    | 36,730      | -                                     | 108,922      |
| Depreciation   | 17,105              | 4,751                     | 3,801       | -                                     | 25,657       |
| Communication and marketing  | 71,200              | 12,355                    | 9,884       | -                                     | 93,439       |
| Utilities and telephone  | 7,416               | 5,549                     | 1,648       | -                                     | 14,613       |
| Dues and subscriptions   | -                   | 2,195                     | -           | -                                     | 2,195        |
| Other taxes  | -                   | 1,692                     | -           | -                                     | 1,692        |
| Travel and meetings  | -                   | 921                       | -           | -                                     | 921          |
| Bank and credit card charges   | 5,890               | -                         | 2,524       | -                                     | 8,414        |
| In-kind  | 60,999              | -                         | 23,016      | -                                     | 84,015       |
|  | 1,543,848           | 301,628                   | 282,758     | 107,016                               | 2,235,250    |
| Less: expenses included with revenue, support and gains on<br>the statement of activities and changes in net assets: |                     |                           |             |                                       |              |
| Costs of direct benefits to donors   | -                   | -                         | -           | (107,016)                             | (107,016)    |
| Total expenses   | \$ 1,543,848        | \$ 301,628                | \$ 282,758  | \$ -                                  | \$ 2,128,234 |
|  | 73%                 | 14%                       | 13%         |                                       | 100%         |

See notes to financial statements.

## GIRLS INC. OF ORANGE COUNTY

### Statements of Cash Flows For the Years Ended December 31, 2022 and 2021

|  | 2022                | 2021                |
|--|---------------------|---------------------|
| <b>Cash flows from operating activities</b>  |                     |                     |
| Change in net assets   | \$ 362,186          | \$ 1,879,653        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities |                     |                     |
| Depreciation   | 28,360              | 25,657              |
| Amortization of operating lease right-of-use asset   | 38,555              | -                   |
| Gain on sale of property and equipment   | -                   | (10,875)            |
| In-kind contributions - jewelry  | (107,244)           | (57,762)            |
| Unrealized loss (gain) on investments  | 553,087             | (151,509)           |
| (Increase) decrease in:  |                     |                     |
| Pledges and grants receivable, net   | (25,348)            | (620,405)           |
| Inventory and other assets   | 170,789             | 6,870               |
| Prepaid expenses   | 126,306             | (159,314)           |
| Increase (decrease) in:  |                     |                     |
| Accounts payable and accrued expenses  | 38,192              | (15,681)            |
| Accrued payroll and payroll taxes  | 19,216              | 19,247              |
| Accrued vacation   | 17,422              | 9,201               |
| Deferred revenue   | (119,958)           | (5,542)             |
| Operating lease liability  | (37,432)            | -                   |
| <b>Net cash provided by operating activities</b>   | <b>1,064,131</b>    | <b>919,540</b>      |
| <b>Cash flows from investing activities</b>  |                     |                     |
| Dividend and realized gain reinvestments, net  | 17,380              | (91,240)            |
| Purchases of investments   | (566,398)           | (972,663)           |
| Purchase of property and equipment   | (16,457)            | (9,269)             |
| Proceeds from sale of property and equipment   | -                   | 19,781              |
| <b>Net cash used in investing activities</b>   | <b>(565,475)</b>    | <b>(1,053,391)</b>  |
| <b>Net change in cash and cash equivalents</b>   | <b>498,656</b>      | <b>(133,852)</b>    |
| <b>Cash and cash equivalents, beginning of year</b>  | <b>1,414,704</b>    | <b>1,548,556</b>    |
| <b>Cash and cash equivalents, end of year</b>  | <b>\$ 1,913,360</b> | <b>\$ 1,414,704</b> |
| <i>Supplemental disclosures of non-cash investing and financing activities:</i>            |                     |                     |
| Operating lease liability arising from obtaining right-of-use asset                        | <b>\$ 42,824</b>    | <b>\$ -</b>         |
| Remeasurement of operating lease liability and right-of-use asset                          | <b>\$ 134,556</b>   | <b>\$ -</b>         |

See notes to financial statements.

# GIRLS INC. OF ORANGE COUNTY

## Notes to Financial Statements For the Years Ended December 31, 2022 and 2021

### 1. Organization and Mission

Established in 1954, Girls Inc. of Orange County (“GIOC” or the “Organization”) is the local affiliate of the Girls Inc. national organization that works alongside families and schools to provide girls, ages 5 to 18 and into college, the instruction, mentoring and support they need to be successful throughout their lives. Each year, GIOC powerfully and permanently impacts the lives of girls throughout the county, leading them through specially-designed educational programming in the areas of STEM (Science, Technology, Engineering, and Mathematics), financial literacy, entrepreneurship, positive body image, healthy relationships, workforce development and college/career readiness.

GIOC prioritizes providing services to girls who live in areas where the need is greatest. Seventy-three percent of the girls served live in households that are low-to-moderately low income. The Organization offers programs virtually and in-person, year-round, hosting programs on school campuses (elementary, middle and high school), juvenile detention centers, community centers, and through other educational partners that include community colleges, public and private universities, and others. Through studies at the local and national levels, the programs have been proven to change girls’ lives, resulting in significant increases in self-esteem, grades, preparation for higher education, community activism, interest in STEM subjects, and financial independence. The Organization is committed to helping girls in Orange County grow up to be strong, smart, and bold.

In 2022, as the world emerged from the pandemic the programming continued in-person and virtually, giving the Organization an opportunity to reach more than 7,900 girls, doubling the number of girls served to date. GIOC was able to do this as they expanded into schools that have prioritized girl issues and girl learning. The Organization provides a pipeline of education, mentorship, and confidence for girls to grow up healthy, educated and independent.

GIOC reaches girls through in-school and after-school based programming, along with virtual, college and career readiness, and summer programming. All programs are designed to meet the girls where they are in their lives, and where they need Girls Inc. the most. School based programs are designed to meet the girls during or after school hours, giving easy accessibility for girls on school campuses. Virtual programs allow the Organization to reach a larger number of girls that have barriers with transportation. College and career has become one of the most successful and sought after programs, as Girls Inc. has expanded to support girls beyond high school and into college. This expanded programming into college is designed to not only get girls into and through college, but also to help them navigate and form a strong network with volunteer mentors and companies. This expansion will give them an opportunity to be successful after their college graduation. Summer programs are designed to reach girls through camps with intensive learning around STEM, SEL (social emotional learning) and more.

## GIRLS INC. OF ORANGE COUNTY

### Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

#### 1. Organization and Mission (continued)

Girls Inc. national network is comprised of 78 affiliates across the United States and Canada. These affiliates operate in more than 1,500 centers and 300 cities offering core programs to fulfill the vision of empowered girls in an equitable society. The cost of GIOC's annual membership dues is \$12,000. For the years ended December 31, 2022 and 2021, grants and contributions from Girls Inc. National were \$164,796 and \$285,337, respectively.

GIOC funds its operations through fundraising, events, individuals, foundations, and corporate donors with a small percentage of fee-based program revenue.

#### 2. Summary of Significant Accounting Policies

##### *Basis of Accounting and Use of Estimates*

The Organization's financial statements have been prepared on the accrual basis of accounting. Accordingly, the Organization recognizes revenues when earned, and contributions, including unconditional promises to give, when received. Expenses are recognized when the obligation is incurred.

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### *Basis of Presentation*

GIOC reflects net assets and revenues, gains, expenses, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets, and changes thereto, are classified and reported as without donor restrictions and with donor restrictions, as follows:

- Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and are available to support general operations. Board-designated amounts are included in net assets without donor restrictions. Any cumulative net investment income from net assets with donor restrictions become unrestricted when appropriated for expenditure by the Board of Directors.
- With Donor Restrictions – Net assets that are subject to donor-imposed restrictions that require either the passage of time, the occurrence of a specific event, or that the principal be maintained in perpetuity and invested for the purpose of producing present and future income for unrestricted (without donor restrictions) use by the Organization.

## GIRLS INC. OF ORANGE COUNTY

### Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

#### 2. Summary of Significant Accounting Policies (continued)

##### *Contributions and Revenue Recognition*

GIOC performs an analysis of each contribution, grant or award to determine whether to apply the contributions guidance or exchange transaction guidance depending on whether the transaction is reciprocal or nonreciprocal. This process requires significant management judgment.

For amounts deemed to be contributions, management determines whether the contribution is restricted or unrestricted and whether it is unconditional or conditional. Unconditional contributions, including promises to give, are recognized when received and are reported as either without donor restrictions or with donor restrictions.

Conditional contributions, including promises to give, contain a right of return or release and a barrier. Revenue is recognized when the condition or conditions are substantially met. Typically, such arrangements also contain a right of return, or a right of release from obligation, and the recipient has limited discretion over how funds transferred should be spent. As such, GIOC recognizes revenue for conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received, or contract assets received, in advance of the incurrence of qualifying expenditures are deferred.

Revenues derived from exchange transactions follow GAAP established for commercial transactions and are recognized as related distinct performance obligations are completed. Certain GIOC program services are deemed to be exchange transactions that are subject to this guidance. Substantially all revenues are recognized over time, as services are provided to customers.

##### *In-kind Contributed Materials and Services*

Contributed materials are recorded at fair value where an objective basis is available to measure their value. Such items are capitalized or charged to operations based on their nature.

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 project development, fundraising, and operations.

## GIRLS INC. OF ORANGE COUNTY

### Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

#### 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.

##### *Inventory*

Inventory consists of donated jewelry, and as of December 31, 2022 and 2021, totaled \$106,528 and \$140,898, respectively. During the year ended December 31, 2022, \$142,818 of donated jewelry was utilized as gifts to donors and monetized through auctions and events. During the year ended December 31, 2021, donated jewelry of \$37,050 was utilized as gifts to girls and donors and monetized through auctions and events.

##### *Property and Equipment*

GIOC capitalizes property and equipment over \$1,000 and lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions 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 that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, GIOC reports expirations of donor restrictions when the donated or acquired assets are placed in service. GIOC reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets ranging from three to ten years. Leasehold improvements are amortized over the lesser of the asset's useful life or the term of the lease.

##### *Deferred Revenue*

Contract liabilities – or deferred revenues – are recognized when an exchange transaction occurs and the Organization has not fully satisfied its contractual performance obligations as of the financial reporting date. Deferred revenues at December 31, 2022 and 2021 were \$11,000 and \$130,958, respectively.



## GIRLS INC. OF ORANGE COUNTY

### Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

#### 2. Summary of Significant Accounting Policies (continued)

##### *Fair Value of Financial Instruments*

GAAP defines fair value as the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. GAAP also establishes a framework for measuring fair value and requires disclosures about fair value measurements (Note 4).

##### *Functional Allocation of Expenses*

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation which is allocated by department, as well as salaries, payroll taxes, employee benefits, professional services, office expenses, and others which are allocated on the basis of estimates of time and effort as determined by management.

##### *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(d) 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.

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, 2022, management does not believe GIOC has any uncertain tax positions requiring accrual or disclosure. GIOC is subject to potential tax examinations 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 Adopted Accounting Pronouncements*

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)* (“ASC 842”), which requires lessees to recognize “right of use” assets and liabilities for all leases with terms of more than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition. ASU 2016-02 requires additional quantitative and qualitative financial statement note disclosures about the leases, significant judgments made in accounting for those leases and amounts recognized in the financial statements about those leases.

## GIRLS INC. OF ORANGE COUNTY

### Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

#### 2. Summary of Significant Accounting Policies (continued)

##### *Recently Adopted Accounting Pronouncements (continued)*

The Organization adopted the requirements of ASC 842 effective January 1, 2022 and elected the modified retrospective method for all lease arrangements with a cumulative-effect adjustment as of January 1, 2022. For leases that commenced before the effective date of ASC 842, the Organization elected the transition package of three practical expedients permitted within ASC 842, which eliminates the requirements to reassess prior conclusions about lease identification, lease classification, and initial direct costs. The Organization also elected the hindsight practical expedient, which permits the use of hindsight when determining lease term and impairment of right-of-use assets. Further, the Organization elected a short-term lease exception policy, permitting the Organization to not apply the recognition requirements of this standard to short-term leases (i.e., leases with terms of 12 months or less) and an accounting policy to account for lease and non-lease components as a single component for certain classes of assets.

The Organization determines if an arrangement is a lease at inception. As a lessee, right-of-use assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization estimates the incremental borrowing rate based on the rates that would be charged by their financial institution on borrowings for similar terms. Operating lease right-of-use assets also include any lease payments made at or before lease commencement and exclude any lease incentives received. The lease terms used to calculate the right-of-use asset and related lease liability include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term as an operating expense.

As a result of adopting ASC 842 as of January 1, 2022, the Organization recorded an operating lease right-of-use asset of \$42,824 and related operating lease liability of \$42,824, based on the present value of the future lease payments on the date of adoption. There was no cumulative-effect adjustment recorded to retained earnings upon adoption. Adopting ASC 842 did not have a material impact on the Organization's statements of activities and changes in net assets or cash flows. See Note 12, Lease, for further discussion of the Organization's adoption of ASC 842 and related disclosures.

## GIRLS INC. OF ORANGE COUNTY

### Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

#### 2. Summary of Significant Accounting Policies (continued)

##### *Recently Adopted Accounting Pronouncements (continued)*

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities and changes in net assets as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for the Organization's fiscal year ended December 31, 2022. See Note 9 for additional disclosures regarding contributed nonfinancial assets.

#### 3. Pledges and Grants Receivable

Pledges and grants receivable consist of single year promises from individuals, corporations, and foundations, as well as multi-year promises from individual donors and foundations. Receivables to be received in more than one year are discounted at the risk-free rate at the time of the unconditional promise. Management assesses the donors' creditworthiness and history of past collections in selecting an appropriate discount rate on the date of donation.

Expected future collections of pledges and grants receivable at December 31, 2022 are as follows:

| <u>Years Ending December 31,</u>   |                          |
|------------------------------------|--------------------------|
| 2023                               | \$ 550,544               |
| 2024                               | 177,682                  |
| 2025                               | 165,000                  |
|                                    | <u>893,226</u>           |
| Less: discount                     | <u>(16,559)</u>          |
| Pledges and grants receivable, net | 876,667                  |
| Less: current portion              | <u>(550,544)</u>         |
| Noncurrent portion, net            | <u><u>\$ 326,123</u></u> |

## **GIRLS INC. OF ORANGE COUNTY**

### **Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021**

#### **3. Pledges and Grants Receivable (continued)**

There is no allowance for doubtful accounts at December 31, 2022 and 2021, as management deemed all pledges and grants receivable to be collectable.

#### **4. Fair Value Measurements**

GAAP establishes a framework for measuring fair value, requires disclosures about fair value measurements and provides a consistent definition of fair value which focuses on an exit price between market participants in an orderly transaction. GAAP also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level 1 include listed equities held in the name of GIOC and exclude listed equities and other securities held indirectly through commingled funds.

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

**GIRLS INC. OF ORANGE COUNTY**

**Notes to Financial Statements (continued)  
For the Years Ended December 31, 2022 and 2021**

**4. Fair Value Measurements (continued)**

The following table presents investments measured at fair value on a recurring basis at December 31, 2022:

|   | <u>Level 1</u>      | <u>Total</u>        |
|---|---------------------|---------------------|
| Cash, bank sweep and money market funds       | \$ 213,556          | \$ 213,556          |
| Fixed income exchange-traded funds            | 1,316,808           | 1,316,808           |
| Equity exchange-traded funds and mutual funds | 2,076,563           | 2,076,563           |
| Alternative exchange-traded funds             | 102,719             | 102,719             |
|   | <u>\$ 3,709,646</u> | <u>\$ 3,709,646</u> |

Cash, bank sweep, and money market funds are measured at their net asset value and are classified within Level 1. Exchange-traded funds (ETFs) and mutual funds are classified within Level 1 because of their readily determinable fair values based on daily redemption values.

**5. Investments**

Investments consist of the following at December 31, 2022 and 2021:

|                       | <u>2022</u>         | <u>2021</u>         |
|-----------------------|---------------------|---------------------|
| Cash and bank sweep   | \$ 213,556          | \$ 14,710           |
| Bond mutual funds     | -                   | 111,441             |
| Equity mutual funds   | 278,072             | 112,139             |
| Exchange traded funds | 3,218,018           | 3,475,425           |
|                       | <u>\$ 3,709,646</u> | <u>\$ 3,713,715</u> |

As of December 31, 2022 and 2021, board-designated investments totaled \$2,384,872 and such amounts are presented as noncurrent assets (Note 14).

## GIRLS INC. OF ORANGE COUNTY

### Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

#### 5. Investments (continued)

Net investment returns consist of the following for the years ended December 31, 2022 and 2021:

|                           | <u>2022</u>         | <u>2021</u>       |
|---------------------------|---------------------|-------------------|
| Dividends and interest    | \$ 92,026           | \$ 66,010         |
| Realized (losses) gains   | (93,322)            | 41,292            |
| Unrealized (losses) gains | (553,087)           | 151,509           |
|                           | <u>(554,383)</u>    | <u>258,811</u>    |
| Less: Investment fees     | (16,084)            | (16,061)          |
|                           | <u>\$ (570,467)</u> | <u>\$ 242,750</u> |

Investments are exposed to various risks, such as interest rate, market and credit risk. Risk is managed through frequent monitoring of macroeconomic conditions, investment valuations and communication with investment managers. It is at least reasonably possible that changes in the near term could materially affect the amounts reported in the financial statements.

#### 6. Property and Equipment

Property and equipment, net consist of the following at December 31, 2022 and 2021:

|                                | <u>2022</u>      | <u>2021</u>      |
|--------------------------------|------------------|------------------|
| Furniture and equipment        | \$ 98,845        | \$ 90,479        |
| Website upgrade                | 10,000           | 10,000           |
| Leasehold improvements         | 8,092            | -                |
|                                | <u>116,937</u>   | <u>100,479</u>   |
| Less: Accumulated depreciation | (71,269)         | (42,908)         |
|                                | <u>\$ 45,668</u> | <u>\$ 57,571</u> |

Depreciation expense for the years ended December 31, 2022 and 2021 totaled \$28,360 and \$25,657, respectively.

## GIRLS INC. OF ORANGE COUNTY

### Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

#### 7. Annual Fundraising Events

GIOC conducts annual fundraising events to assist in funding program operations. All revenue received in excess of expenses from such events is used for current program operations. The costs that are direct benefits to the donors are included in the “Costs of direct benefits to donors” in the accompanying statements of activities and changes in net assets.

The revenues and expenses of annual fundraising events are as follows for the years ended December 31, 2022 and 2021:

|                       | <u>2022</u>       | <u>2021</u>       |
|-----------------------|-------------------|-------------------|
| Gross revenue         | \$ 945,387        | \$ 608,567        |
| Direct donor benefits | <u>(323,718)</u>  | <u>(107,016)</u>  |
|                       | <u>\$ 621,669</u> | <u>\$ 501,551</u> |

#### 8. Paycheck Protection Program

In February 2021, Union Bank approved GIOC’s application for a second Paycheck Protection Program loan (“PPP2”) in the amount of \$289,274. GIOC used all of the proceeds for purposes consistent with the PPP2 agreement during the year ended December 31, 2021. Because GIOC believes that its use of the loan proceeds meets the conditions for forgiveness of the loan, the total PPP2 amount of \$289,274 is reported as contributions in the statement of activities and changes in net assets for the year ended December 31, 2021. GIOC applied for loan forgiveness, which was fully approved by the U.S. Small Business Administration in August 2022.

#### 9. In-kind Contributions

GIOC received donated professional services and materials and supplies during the years ended December 31, 2022 and 2021 as follows:

|                              | <u>2022</u>       | <u>2021</u>       |
|------------------------------|-------------------|-------------------|
| Jewelry                      | \$ 107,244        | \$ 57,762         |
| Other materials and supplies | <u>104,259</u>    | <u>47,145</u>     |
|                              | <u>\$ 211,503</u> | <u>\$ 104,907</u> |

**GIRLS INC. OF ORANGE COUNTY**

**Notes to Financial Statements (continued)  
For the Years Ended December 31, 2022 and 2021**

**10. Employee Retention Credits**

Management believes that GIOC is eligible for Employee Retention Credits (“ERC”) under the CARES Act. The Organization received \$247,481 prior to December 31, 2021 from a Form 941 Employer Quarterly Federal Tax Return refund payment for the quarter ended March 31, 2021 and abated employment taxes for the quarters ended June 30, 2021 and September 30, 2021. GIOC believes that that it is probable that it is entitled to recover amounts previously paid in 2020 via the ERC and thus has recognized receivables of \$155,711 as of December 31, 2021, which represents refunds due on the 2020 Form 941-X Adjusted Employer’s Quarterly Federal Tax Returns for the quarters ended June 30, 2020, September 30, 2020 and December 31, 2020. The Organization collected the receivable in full during the year ended December 31, 2022.

**11. Net Assets with Donor Restrictions**

Net assets with donor restrictions activity at December 31, 2022 consists of the following:

|                       | Net Assets with<br>Donor Imposed<br>Time<br>Restrictions | Net Assets with<br>Donor Imposed<br>Purpose<br>Restrictions | Total Net Assets<br>with Donor<br>Restrictions |
|-----------------------|--|---|--|
| Beginning balance     | \$ 41,000  | \$ 1,053,116  | \$ 1,094,116                                   |
| Contributions         | 15,000   | 789,361   | 804,361  |
| Releases              | (10,000)   | (744,782)   | (754,782)                                      |
| Ending balance        | \$ 46,000  | \$ 1,097,695  | \$ 1,143,695                                   |
| Purpose restrictions: |  |   |  |
| College Bound         |  | \$ 252,500  |  |
| Elementary            |  | 277,500   |  |
| Project Accelerate    |  | 227,844   |  |
| Teens                 |  | 62,583  |  |
| Elementary/Teens      |  | 90,833  |  |
| Sponsorships          |  | 175,000   |  |
| Other                 |  | 11,435  |  |
|                       |  | \$ 1,097,695  |  |



## GIRLS INC. OF ORANGE COUNTY

### Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

#### 11. Net Assets with Donor Restrictions (continued)

Net assets with donor restrictions activity at December 31, 2021 consists of the following:

|                       | Net Assets with<br>Donor Imposed<br>Time<br>Restrictions | Net Assets with<br>Donor Imposed<br>Purpose<br>Restrictions | Total Net Assets<br>with Donor<br>Restrictions |
|-----------------------|--|---|--|
| Beginning balance     | \$ 12,000  | \$ 279,196  | \$ 291,196                                     |
| Contributions         | 40,000   | 1,053,116   | 1,093,116                                      |
| Releases              | (11,000)   | (279,196)   | (290,196)                                      |
| Ending balance        | \$ 41,000  | \$ 1,053,116  | \$ 1,094,116                                   |
| Purpose restrictions: |  |   |  |
| College Bound         |  | \$ 120,417  |  |
| Elementary            |  | 169,833   |  |
| Project Accelerate    |  | 574,949   |  |
| Teens                 |  | 27,917  |  |
| Sponsorships          |  | 160,000   |  |
|                       |  | \$ 1,053,116  |  |

#### 12. Lease

In July 2020, GIOC entered into a non-cancelable lease agreement for its office building located in Santa Ana, California with a term through June 2021. In March 2021, GIOC amended its office building lease agreement extending the term of the lease to June 2023. In May 2022, GIOC amended its office building lease agreement to expand the space and extend the term of the lease to June 2025. Operating lease expense for the year ended December 31, 2022 and 2021 totaled \$45,685 and \$29,820, respectively.

With the May 2022 amendment, the operating lease right-of-use asset and operating lease liability were remeasured in July 2022, which was the commencement date of the amendment, using the incremental borrowing rate effective on the commencement date. The remeasurement increased the operating lease liability and operating lease right-of-use asset by \$134,556.

The incremental borrowing rate used to measure the operating lease liability at January 1, 2022 was 6.25% and 7.75% for the remeasurement in July 2022.

## GIRLS INC. OF ORANGE COUNTY

### Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

#### 12. Lease (continued)

The maturities of the operating lease liability as of December 31, 2022 are as follows:

| <u>Year Ending December 31,</u>   |                         |
|---|-------------------------|
| 2023  | \$ 60,576               |
| 2024  | 62,352                  |
| 2025  | <u>31,638</u>           |
| Total lease payments  | 154,566                 |
| Less: imputed interest  | <u>(14,618)</u>         |
| Total lease liability   | 139,948                 |
| Less: current portion of lease liability (included in<br>accounts payable and accrued expenses) | <u>(51,518)</u>         |
| Lease liability, less current portion   | <u><u>\$ 88,430</u></u> |

#### 13. Commitments and Contingencies

##### *Concentration of Credit Risk*

GIOC maintains cash and cash equivalents in a financial institution which may, at times, exceed FDIC insured maximum deposit insurance amount of \$250,000. Uninsured balances were \$1,663,360 and \$1,164,704 at December 31, 2022 and 2021, respectively.

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

##### *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 per annum. Employees who are age 50 and over, may contribute up to \$15,500 per annum. GIOC may match their contributions up to the lesser of 3% of their annual salary or \$6,000. Matching contributions for the years ended December 31, 2022 and 2021 were \$24,769 and \$16,355, respectively.

## GIRLS INC. OF ORANGE COUNTY

### Notes to Financial Statements (continued) For the Years Ended December 31, 2022 and 2021

#### 14. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2022, comprise the following:

|   |                     |
|---|---------------------|
| Total financial assets:   |                     |
| Cash and cash equivalents   | \$ 1,913,360        |
| Pledges and grants receivable, current portion  | 550,544             |
| Investments   | 3,709,646           |
|   | <u>6,173,550</u>    |
| Less:   |                     |
| Investments - board-designated  | (2,384,872)         |
| Deferred revenue  | (11,000)            |
| Donor-imposed restrictions  | (1,143,695)         |
|   | <u>(3,539,567)</u>  |
| Financial assets available to meet cash needs for<br>general expenditures within one year | <u>\$ 2,633,983</u> |

Given current macroeconomic uncertainties, GIOC has elected to maintain liquidity levels at amounts in excess of historical levels. GIOC also maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. Net proceeds received from sale of its office facilities in March 2020 totaling \$2,384,872 has been designated by the board of directors for investment. However, in the case of need, the board of directors could appropriate such resources for general expenditures.

#### 15. Subsequent Events

GIOC has evaluated events and transactions for potential recognition or disclosure through June 7, 2023, which represents the date the financial statements were available to be issued.