

**GIRLS INCORPORATED
OF CENTRAL ALABAMA AND GIRLS CLUB
INCORPORATED OF BIRMINGHAM TRUST**

**Consolidated Financial Statements
For the Year Ended March 31, 2020
With Summarized Financial Information
For the Year Ended March 31, 2019**

**GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB
INCORPORATED OF BIRMINGHAM TRUST**

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**GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB
INCORPORATED OF BIRMINGHAM TRUST**

**Nature of Operations
For the Year Ended March 31, 2020**

Girls Inc. of Central Alabama (formerly Girls Club) has provided programs for thousands of school-age girls of diverse racial and economic backgrounds since our organization was founded in 1938. The agency is a local affiliate of Girls Inc. National and became a local United Way partner in 1954. The mission of Girls Inc. is "to inspire all girls to be strong, smart, and bold." In 2019, we provided services to over 5,200 youth in the five-county area through our Center-based Programs, Community Impact Department, and Operation SMART.

Girls Inc. of Central Alabama offers in-school, after-school and summer programs. Community Impact Programs are provided in Jefferson, Shelby, Walker, Blount and St. Clair Counties. Summer Programs operate in Jefferson, Shelby, and Walker Counties. The agency offers an after-school program at our Crestwood Center in Birmingham and Girls Inc. Empowerment Center at Marks Village Housing Community in Birmingham.

Whether a girl participates in one program or several, she will receive academic support, learn about health and wellness, and develop her life skills. Through all of our programs, the goal for Girls Inc. is to help girls achieve at their highest level.

At Girls Inc. we believe that girls excel in a gender-specific and age-appropriate environment with programs developed for their specific style of learning and behavior. Nationally researched and tested curricula are the core of Girls Inc. programming. Structured to augment what a girl should know socially and academically at a specific age, each program offers innovative, experiential approaches to new information about familiar and unfamiliar areas. These programs are delivered by trained staff and volunteers who provide mentoring and support for the girls in our programs.

BORLAND
BENEFIELD**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors
Girls Incorporated of Central Alabama

We have audited the accompanying consolidated financial statements of Girls Incorporated of Central Alabama and Girls Club Incorporated of Birmingham Trust (the Organization), which comprise the consolidated statement of financial position as of March 31, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

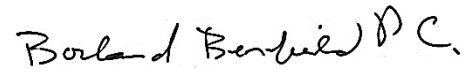
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Girls Incorporated of Central Alabama and Girls Club Incorporated of Birmingham Trust as of March 31, 2020 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 Girls Incorporated of Central Alabama and Affiliate's 2019 consolidated financial statements, and our report dated September 4, 2019, 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 March 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Borland Benefield, P.C.
Birmingham, Alabama
November 5, 2020

**GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB
INCORPORATED OF BIRMINGHAM TRUST**

**Consolidated Statement of Financial Position
For The Year Ended March 31, 2020
With Summarized Financial Information
For The Year Ended March 31, 2019**

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash	\$ 112,804	\$ 201,019
Investments, fair value	652,661	775,784
Note receivable	2,403	2,241
Total Current Assets	<u>767,868</u>	<u>979,044</u>
Noncurrent Assets		
Notes receivable	94,942	97,927
Property and equipment, net	733,549	758,987
Total Noncurrent Assets	<u>828,491</u>	<u>856,914</u>
Total Assets	<u>\$ 1,596,359</u>	<u>\$ 1,835,958</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 14,598	\$ 15,891
Total Liabilities	<u>14,598</u>	<u>15,891</u>
Net Assets		
Without donor restrictions	1,304,923	1,729,013
With donor restrictions	276,838	91,054
Total Net Assets	<u>1,581,761</u>	<u>1,820,067</u>
Total Liabilities and Net Assets	<u>\$ 1,596,359</u>	<u>\$ 1,835,958</u>

See accompanying notes to financial statements.

**GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB
INCORPORATED OF BIRMINGHAM TRUST**

**Consolidated Statement of Activities
For the Year Ended March 31, 2020
With Summarized Financial Information
For the Year Ended March 31, 2019**

	<u>Without Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2019</u>
Support and Revenue				
United Way allocation	\$ 814,140	\$ -	\$ 814,140	\$ 823,667
Foundations/trusts	18,600	321,143	339,743	222,017
Program fees	108,350	-	108,350	105,389
Contributions	148,373	79,313	227,686	310,672
Investment income, net	(51,580)	(14,485)	(66,065)	51,469
Miscellaneous income	13,921	-	13,921	235
Government grants	-	129,573	129,573	85,558
Special events	67,466	-	67,466	105,454
Membership dues	4,579	-	4,579	13,045
In-kind donations	135,696	-	135,696	6,605
Net assets released from restrictions	<u>329,760</u>	<u>(329,760)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,589,305</u>	<u>185,784</u>	<u>1,775,089</u>	<u>1,724,111</u>
Expenses				
Program Services				
Center based programs	994,760	-	994,760	736,672
Outreach	465,059	-	465,059	401,465
Teen & operation SMART	<u>220,227</u>	<u>-</u>	<u>220,227</u>	<u>177,389</u>
Total Program Services	<u>1,680,046</u>	<u>-</u>	<u>1,680,046</u>	<u>1,315,526</u>
Support Services				
Administrative	200,796	-	200,796	244,878
Fund development	<u>132,553</u>	<u>-</u>	<u>132,553</u>	<u>159,381</u>
Total Support Services	<u>333,349</u>	<u>-</u>	<u>333,349</u>	<u>404,259</u>
Total Expenses	<u>2,013,395</u>	<u>-</u>	<u>2,013,395</u>	<u>1,719,785</u>
Change in Net Assets	(424,090)	185,784	(238,306)	4,326
Net Assets, Beginning of Year	<u>1,729,013</u>	<u>91,054</u>	<u>1,820,067</u>	<u>1,841,142</u>
Net Assets, End of Year	<u>\$ 1,304,923</u>	<u>\$ 276,838</u>	<u>\$ 1,581,761</u>	<u>\$ 1,845,468</u>

See accompanying notes to financial statements.

**GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB
INCORPORATED OF BIRMINGHAM TRUST**

**Consolidated Statement of Functional Expenses
For the Year Ended March 31, 2020
With Summarized Financial Information
For the Year Ended March 31, 2019**

	Center Based Programs	Outreach	Teen & Operation SMART	Administrative	Fund Development	Total	2019
Salaried staff	\$ 427,988	\$ 290,990	\$ 76,892	\$ 113,091	\$ 83,454	\$ 992,415	\$ 927,116
Employee benefits	61,405	41,750	11,032	16,225	11,974	142,386	131,077
In-kind donations	55,635	29,853	50,208	-	-	135,696	6,605
Occupancy	68,582	10,058	4,572	7,316	914	91,442	62,515
Contract transportation	64,205	-	12,229	-	-	76,434	43,142
Payroll taxes	32,213	21,902	5,787	8,512	6,281	74,695	72,328
Insurance	52,031	7,631	3,469	5,550	694	69,375	56,824
Building repairs/maintenance	47,910	6,844	1,867	4,978	622	62,221	44,433
Depreciation	58,767	449	-	1,142	-	60,358	61,887
Program supplies	19,059	15,961	17,199	-	-	52,219	47,852
Van expense	31,726	-	-	-	-	31,726	12,141
Travel/meals/lodging	5,118	13,818	1,535	4,094	1,024	25,589	35,887
Telephone	17,908	2,208	1,472	2,698	245	24,531	21,742
Professional fees	7,113	3,557	1,186	9,484	2,371	23,711	32,153
Development supplies	-	-	-	-	18,687	18,687	27,385
Equipment repairs/maintenance	12,578	1,797	490	1,308	163	16,336	10,317
Food	3,181	1,909	4,772	5,566	477	15,905	19,322
Scholarships	-	-	15,000	-	-	15,000	14,250
Dues/subscriptions	11,036	1,577	430	1,147	326	14,516	13,395
Equipment/technology	2,711	1,356	1,356	5,422	2,711	13,556	13,104
Field trip	5,432	-	6,913	-	-	12,345	18,649
Contract workers	807	7,258	-	-	-	8,065	12,938
Miscellaneous	1,922	1,845	615	3,302	1	7,685	4,207
Office supplies	1,638	1,117	447	3,722	521	7,445	8,205
Conferences/conventions	1,763	1,469	1,763	586	294	5,875	4,424
Bank fees	-	-	-	5,138	-	5,138	3,433
Printing/publications	1,657	1,195	214	246	967	4,279	8,764
Household/janitorial supplies	2,277	417	759	304	39	3,796	3,079
Postage/shipping	98	98	20	965	788	1,969	2,336
	<u>\$ 994,760</u>	<u>\$ 465,059</u>	<u>\$ 220,227</u>	<u>\$ 200,796</u>	<u>\$ 132,553</u>	<u>\$ 2,013,395</u>	<u>\$ 1,719,785</u>

See accompanying notes to financial statements.

**GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB
INCORPORATED OF BIRMINGHAM TRUST**

**Consolidated Statements of Cash Flows
For the Year Ended March 31, 2020
With Summarized Financial Information
For the Year Ended March 31, 2019**

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Cash received from contributors and grantors	\$ 1,581,431	\$ 1,549,458
Cash received from programs and other	112,929	118,433
Cash received from rentals and other	13,921	235
Cash paid to suppliers and employees	(1,818,635)	(1,663,761)
Interest received	18,788	51,470
Net Cash Provided/(Used) by Operating Activities	<u>(91,566)</u>	<u>55,835</u>
Cash Flows From Investing Activities		
Purchase of investments	(123,851)	(168,114)
Proceeds from sale of investments	162,122	163,399
Purchase of property and equipment	(34,920)	(59,882)
Net Cash Provided/(Used) by Investing Activities	<u>3,351</u>	<u>(64,597)</u>
Net Decrease in Cash and Cash Equivalents	(88,215)	(8,762)
Cash and Cash Equivalents, Beginning of Year	<u>201,019</u>	<u>209,781</u>
Cash and Cash Equivalents, End of Year	<u>\$ 112,804</u>	<u>\$ 201,019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (238,306)	\$ 4,326
Adjustments to reconcile change in net assets:		
Depreciation	60,358	61,887
Unrealized holding loss	84,852	25,400
Change in operating assets and operating liabilities:		
Notes receivable	2,823	2,090
Accounts payable	(1,293)	(12,467)
Net Cash Provided/(Used) by Operating Activities	<u>\$ (91,566)</u>	<u>\$ 81,236</u>

See accompanying notes to financial statements.

**GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB
INCORPORATED OF BIRMINGHAM TRUST**

**Notes to Consolidated Financial Statements
For the Year Ended March 31, 2020**

Note 1 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of Girls Incorporated of Central Alabama and Girls Club Incorporated of Birmingham Trust (the Organization) have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Consolidation of Related Entities

A not-for-profit organization should consolidate another not-for-profit organization if the reporting not-for-profit organization has control of the other not-for-profit organization, as evidenced by either majority ownership or a majority voting interest in the board of the other not-for-profit organization, and an economic interest in the other not-for-profit organization.

The related entity is Girls Club Incorporated of Birmingham Trust (the Trust), which operates primarily for the benefit of the Organization. All material intercompany transactions have been eliminated.

Financial Statement Presentation

The Organization has adopted Financial Accounting Standards Board in its Accounting Standards Codification 958-205, *Presentation of Financial Statements for Not-for-Profit Organizations*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to the two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent revenues and expenses related to the operation and management of the Organization's primary programs and supporting services. If funds are raised and set aside by the Board for future use, these are considered without donor restrictions. Donor restricted contributions that are expended for their restricted purpose in the same accounting period as received may be recorded as without donor restrictions.

Net assets with donor restrictions represent resources available for use, but expendable only for the purposes specifically stated by the donor.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute presentation in conformity with *Generally Accepted Accounting Principles*. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. As of March 31, 2020, the cash balances for the Organization and the Trust were \$112,804 and \$-0-, respectively.

See independent auditor's report.

GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB INCORPORATED OF BIRMINGHAM TRUST

**Notes to Consolidated Financial Statements (continued)
For the Year Ended March 31, 2020**

Note 1 – Summary of Significant Accounting Policies (continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted market prices in the statement of financial position. Unrealized gains and losses are included in the change in net assets and are netted against investment management expenses. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Accounts Receivable

Accounts receivable are stated at the unpaid balances, less an allowance for doubtful accounts. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Management estimates allowance for doubtful accounts to be \$-0- and expects to collect all program receivables at March 31, 2020.

Notes Receivable

Notes receivable are reported at their outstanding principal adjusted for the discounts. Discounts on notes receivable are amortized to income using the interest method over the remaining period to contractual maturity. Notes receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000. 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 for a specific purpose. Property and equipment are depreciated using the straight-line method over the estimated useful life of each asset.

Contributions

The Organization has also adopted FASB ACS 958-605-15-2, *Revenue Recognition – Contributions Received*. Contributions received are recorded as without restriction or with restrictions support depending on the existence or nature of any donor restrictions.

Donated Items Services

Donated items services are recognized as contributions; if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, performed by people with those skills and would otherwise be purchased by the Organization. The total fair value of donated items received during the year ended March 31, 2020 was \$135,696.

See independent auditor's report.

GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB INCORPORATED OF BIRMINGHAM TRUST

Notes to Consolidated Financial Statements (continued) For the Year Ended March 31, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

As of March 31, 2020, the Organization had no uncertain tax positions that qualify for disclosure in the financial statements. Girls Incorporated of Central Alabama files an annual Form 990 while the Girls Incorporated of Central Alabama Trust files an annual Form 990-EZ with the Internal Revenue Service and its tax returns for the year 2017 and subsequent years remain subject to examination by tax authorities.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, expenses are allocated based on their usage in the Organization or based on their time spent (salaries, benefits, payroll taxes) for each function.

Estimates

The preparation of financial statements in conformity with *Generally Accepted Accounting Principles* in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

The Organization made changes to their allocation percentages and combined some previously separated expense groups in the Statement of Functional Expenses in the current year. The prior year summarized expenses have been reclassified accordingly. Management felt the changes in allocation percentages were needed to more accurately spread expenses amongst the programs.

Recent Pronouncements

In February 2016, the Financial Accounting Standards Board (“FASB” or “the Board”) issued a new leasing standard in ASU 2016-02 (“Topic 842” or “the new standard”) for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use (“ROU”) assets and related lease liabilities on the balance sheet for all arrangements with terms longer than 12 months. The pattern of expense recognition in the income statement will depend on a lease’s classification. The provisions of this update are effective for the fiscal years beginning after December 15, 2021. Management is evaluating the new accounting pronouncements and its applicability to the Organization.

See independent auditor's report.

GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB INCORPORATED OF BIRMINGHAM TRUST

**Notes to Consolidated Financial Statements (continued)
For the Year Ended March 31, 2020**

Note 2 – Fair Value Measurements

FASB ASC 820-10-50 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair values of assets, measured on a reoccurring basis, were as follows at March 31, 2020:

<u>Fair Value Measurements at Reporting Date Using</u>				
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds	\$ 652,661	\$ 652,661	\$ -	\$ -

Note 3 – Investments

Investments in debt securities and equity securities with readily determinable fair values are carried at fair value based on quoted market prices in active markets (all Level 1 measurements). Market risks could occur and are dependent upon the future changes in market prices of the various investments held. There have been no changes in valuation techniques and related inputs. Investments were comprised of the following at March 31, 2020:

	<u>Fair Value</u>	<u>Cost</u>
Girls, Inc. Trust		
AC Financial Partners, mutual funds	\$ 184,507	\$ 192,325
Girls, Inc.		
BHK Securities, open end mutual funds	468,154	512,179
Total Investments	<u>\$ 652,661</u>	<u>\$ 704,504</u>

See independent auditor's report.

GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB INCORPORATED OF BIRMINGHAM TRUST

**Notes to Consolidated Financial Statements (continued)
For the Year Ended March 31, 2020**

Note 3 – Investments (continued)

The investment income is summarized as follows for the year ending March 31, 2020:

Net unrealized loss	\$ (76,119)
Broker fees	(8,734)
Real estate interest	6,358
Interest and dividends	<u>12,430</u>
	<u>\$ (66,065)</u>

Interest and dividend income on the investments is included in operating activities in the statement of activities as those investment types are used for the Organization's daily cash management activities. All other investment return is considered non-operating. The Organization also earned \$6,358 in interest income on their note receivable for the Bessemer building. See Note 4 for details on the Notes Receivable.

Note 4 – Notes Receivable

Notes receivable consisted of an interest - bearing note receivable due from the purchaser of the Organization's Bessemer building. The purchaser made a down payment to the Organization on the settlement date in the amount of \$14,624. The remaining balance of \$115,000 is due to the Organization by monthly payments of \$765, beginning November 1, 2009, which includes interest payment computed with a 7% APR. On October 1, 2014, a balloon payment for the remaining outstanding note balance came due on the note. The purchaser requested and was approved a one - year extension to the note through October 1, 2015 while the Church secured other financing. The Board has approved one - year extensions every year since that date. As of March 31, 2020, the outstanding note balance was \$97,345.

Note 5 – Property and Equipment

Property and equipment consisted of the following at March 31, 2020:

Land and improvements	\$ 184,593
Building	1,366,108
Furniture and equipment	252,716
Vehicles	<u>212,030</u>
Total Property and Equipment	2,015,447
Less: Accumulated depreciation	<u>(1,281,898)</u>
Property and Equipment, Net	<u>\$ 733,549</u>

Depreciation expense for the year ended March 31, 2020 was \$60,358.

Note 6 – Retirement Plan

The Organization has a defined contribution retirement plan. All employees at least 21 years of age having at least one year of service are eligible to participate in the plan. The Organization makes contributions at 6.5% of the employees' compensation. Participants become fully vested in contributions after five years of service. The Organization's contributions amounted to \$36,482 at March 31, 2020.

See independent auditor's report.

GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB INCORPORATED OF BIRMINGHAM TRUST

**Notes to Consolidated Financial Statements (continued)
For the Year Ended March 31, 2020**

Note 7 – Operating Leases

The Organization leases office equipment under non-cancelable operating leases with varying expiration dates. The total lease expense for office equipment was \$13,126 in 2020.

The future minimum lease payments required under the non-cancelable operating leases for the year ended March 31, 2020 are as follows:

2021	\$	6,999
2022		<u>2,104</u>
Total:	\$	<u>9,103</u>

Note 8 – Restrictions on Net Assets

Net assets with restrictions consist of cash received and are available for the Organization's Center-based, Outreach, and Operation SMART programs at March 31, 2020. The restrictions are summarized as follows:

Donor Restricted Net Assets:		
Outreach		
Health & Wellness	\$	47,709
Kidability		17,454
General Program		61,675
Graham Scholarship		50,000
Eureka!/SMART		35,000
Nutrition Center		30,000
Growth		20,000
SAIL		<u>15,000</u>
	\$	<u>276,838</u>

Note 9 – Current Vulnerability Due to Concentrations

Cash and cash equivalent accounts and investment accounts are potentially subject to credit risk; however, the balances are in financial institutions which, from time to time, exceed the federally insured limits. As of March 31, 2020, the Organization had no cash and investment accounts that exceeded federally insured limits.

Market risk could occur and is dependent on future changes in market prices of the various investments held.

Note 10 – Liquidity and Availability of Resources

The Organization has \$767,868 of total financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents, investment securities, and receivables due within a year. The amount of financial assets that are subject to donor or contractual restrictions is \$276,838, leaving \$491,030 available to general expenditures within one year of the statement of financial position. The Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

See independent auditor's report.

GIRLS INCORPORATED OF CENTRAL ALABAMA AND GIRLS CLUB INCORPORATED OF BIRMINGHAM TRUST

**Notes to Consolidated Financial Statements (continued)
For the Year Ended March 31, 2020**

Note 11 – Subsequent Events

As of the date of these financial statements, the recent spread of coronavirus has had a significant impact on the local, national, and global economies. The extent to which these events will affect our results of operations and financial position remains uncertain.

In April 2020, the Organization received loan proceeds in the amount of \$226,839 under the Payroll Protection Program (“PPP”). The PPP, established as part of the Coronavirus Act, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying entities for amounts up to 2.5 times of its average monthly payroll expenses. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during an elected period(s) as established in the PPP Loan Forgiveness Application. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization intends to use the proceeds for purposes consistent with the PPP.

The Organization has evaluated subsequent events through November 5, 2020, the date the financial statements were available to be issued.