GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

December 31, 2019 and 2018

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

CONTENTS

Independent Auditors' Report

Board of Directors
Girls Incorporated® of Greater Indianapolis

We have audited the accompanying financial statements of Girls Incorporated® of Greater Indianapolis, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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An Affiliate of
KSM Business Services, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls Incorporated® of Greater Indianapolis as of December 31, 2019 and 2018, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2019, Girls Incorporated® of Greater Indianapolis adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and related amendments with the same effective date, ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. Our opinion is not modified with respect to these matters.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
June 9, 2020

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

ASSETS

	2019	2018
ASSETS		
Cash	$ 71,813	$ 84,983
Cash and equivalents - Lilly Endowment projects	1,001,258	
Promises to give	326,382	275,433
Prepaid expenses	2,165	11,980
Board-designated endowment investments	1,062,219	970,710
Endowment investments	2,250,000	
Property and equipment, net	904,885	936,336
TOTAL ASSETS	$ 5,618,722	$ 2,279,442

LIABILITIES AND NET ASSETS

	2019	2018
LIABILITIES		
Accounts payable	$ 18,910	$ 23,586
Accrued expenses	32,033	33,869
Note payable	324,905	337,722
Total Liabilities	375,848	395,177
NET ASSETS		
Without donor restrictions	1,544,057	1,489,229
With donor restrictions	3,698,817	395,036
Total Net Assets	5,242,874	1,884,265
TOTAL LIABILITIES AND NET ASSETS	$ 5,618,722	$ 2,279,442

See accompanying notes.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Support:						
United Way of Central Indiana		$ 106,919	$ 106,919		$ 178,199	$ 178,199
United Way - donor directed	$ 25,245		25,245	$ 32,616		32,616
Individuals	95,901	68,333	164,234	102,851	2,223	105,074
Service groups				8,907		8,907
Businesses	28,201	502,177	530,378	41,487	234,500	275,987
Foundations	77,953	1,044,000	1,121,953	34,739	105,750	140,489
Foundations - endowment		2,250,000	2,250,000			
In-kind contributions	1,605		1,605	5,403		5,403
Net assets released from restrictions	667,648	(667,648)		733,600	(733,600)	
Total Support	896,553	3,303,781	4,200,334	959,603	(212,928)	746,675
Special Events:						
Income	158,516		158,516	167,297		167,297
Costs of direct benefits to donors	(30,498)		(30,498)	(35,791)		(35,791)
Total Special Events	128,018		128,018	131,506		131,506
Revenue:						
Program service fees	39,947		39,947	32,561		32,561
Rental income	6,000		6,000	6,500		6,500
Total Revenue	45,947		45,947	39,061		39,061
Total Support and Revenue	1,070,518	3,303,781	4,374,299	1,130,170	(212,928)	917,242
EXPENSES						
Program services	792,974		792,974	912,826		912,826
Management and general	201,790		201,790	140,226		140,226
Fundraising	211,930		211,930	192,209		192,209
Total Expenses	1,206,694		1,206,694	1,245,261		1,245,261
CHANGE IN NET ASSETS FROM OPERATIONS	(136,176)	3,303,781	3,167,605	(115,091)	(212,928)	(328,019)
RETURN ON ENDOWMENT INVESTMENTS	191,004		191,004	(39,892)		(39,892)
CHANGE IN NET ASSETS	54,828	3,303,781	3,358,609	(154,983)	(212,928)	(367,911)
NET ASSETS						
Beginning of Year	1,489,229	395,036	1,884,265	1,644,212	607,964	2,252,176
End of Year	$ 1,544,057	$ 3,698,817	$ 5,242,874	$ 1,489,229	$ 395,036	$ 1,884,265

See accompanying notes.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2019 and 2018

	Program Services		Management and General		Fundraising		Direct Benefits to Donors		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Salaries	$ 479,726	$ 529,756	$ 58,634	$ 63,579	$ 83,209	$ 81,462			$ 621,569	$ 674,797
Payroll taxes and employee benefits	77,111	90,483	28,800	25,092	34,598	17,168			140,509	132,743
Professional services and fees	24,575	95,115	94,474	19,671	28,415	24,892			147,464	139,678
Supplies	42,121	15,967	1,415	1,477	17,809	19,140			61,345	36,584
Telephone	7,111	6,932	5,090	2,548	2,530	1,181			14,731	10,661
Postage and shipping expense	337	19	95	893	2,915	929			3,347	1,841
Occupancy	50,306	44,675	4,503	13,364	13,076	5,361			67,885	63,400
Repairs and maintenance	3,551	5,778	835	923	1,262	1,002			5,648	7,703
Printing and publications	1,457	9,617	412	187	4,454	11,317			6,323	21,121
Travel and transportation	24,891	18,449	(205)	589		589			24,686	19,627
Volunteer and staff training	2,917	6,049	2,324	1,160	2,238	2,557			7,479	9,766
Technology	14,521	22,288		2,546	5,166	2,752			19,687	27,586
Commissions and fees	265	3,888		1,459	133	2,132			398	7,479
Insurance	11,431	10,094	1,047	930	1,582	2,258			14,060	13,282
Miscellaneous	6,137	8,365	462	568	4,497	9,529			11,096	18,462
Cost of direct benefits to donors							$ 30,498	$ 35,791	30,498	35,791
Girls Inc. national dues	10,554	9,000	840	1,200	1,560	1,800			12,954	12,000
Depreciation	35,963	36,351	3,064	4,040	8,486	8,140			47,513	48,531
TOTAL EXPENSES BY FUNCTION	792,974	912,826	201,790	140,226	211,930	192,209	30,498	35,791	1,237,192	1,281,052
Less: Expenses included with revenues on the statements of activities:										
Cost of direct benefits to donors							(30,498)	(35,791)	(30,498)	(35,791)
TOTAL EXPENSES ON THE STATEMENTS OF ACTIVITIES	$ 792,974	$ 912,826	$ 201,790	$ 140,226	$ 211,930	$ 192,209	$ -	$ -	$ 1,206,694	$ 1,245,261

See accompanying notes.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

	2019	2018
OPERATING ACTIVITIES		
Change in net assets	$ 3,358,609	$ (367,911)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	47,513	48,531
Realized and unrealized (gain) loss on investments, net	(180,727)	58,232
Contributions restricted for investment in endowment	(2,250,000)	
(Increase) decrease in certain assets:		
Promises to give	(50,949)	(113,107)
Prepaid expenses	9,815	7,040
Increase (decrease) in certain liabilities:		
Accounts payable	(4,676)	15,894
Grants payable to affiliates		(341,148)
Accrued expenses	(1,836)	2,327
Net Cash Provided (Used) by Operating Activities	927,749	(690,142)
INVESTING ACTIVITIES		
Capital expenditures	(16,063)	(4,188)
Proceeds from sales of investments	628,650	752,114
Purchases of investments	(530,275)	(521,362)
Net Cash Provided by Investing Activities	82,312	226,564
FINANCING ACTIVITIES		
Proceeds from contributions restricted for investment in endowment	2,250,000	
Principal payments on long-term debt	(12,817)	(11,082)
Net Cash Provided (Used) by Financing Activities	2,237,183	(11,082)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	3,247,244	(474,660)
CASH AND EQUIVALENTS		
Beginning of Year	128,039	602,699
End of Year	$ 3,375,283	$ 128,039
CASH AND EQUIVALENTS		
Cash	$ 71,813	$ 84,983
Cash and equivalents - Lilly Endowment projects	1,001,258	
Cash equivalents - Board-designated endowment investments	52,212	43,056
Cash equivalents - endowment investments	2,250,000	
TOTAL CASH AND EQUIVALENTS	$ 3,375,283	$ 128,039
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ 18,040	$ 17,821
Noncash investing and financing activities:		
Donated securities	5,034	

See accompanying notes.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Girls Incorporated® of Greater Indianapolis (the Organization), is an affiliate of Girls Incorporated®. The mission statement is "inspiring all girls to be strong, smart, and bold." The Organization serves school age girls, ages 6 to 18, through a collaborative program model with almost 100 community partners that include schools, community centers, and other youth-serving organizations. Most programs consist of four to six sessions, each one-hour in length. During **Strong, Healthy Relationships** programs, girls build tools for communicating with others and for managing anger or hurt feelings. In **Smart, College and Career Planning** programs, girls explore nontraditional careers, while developing critical skills, such as budgeting and saving, which are required to plan for higher education and to become self-sufficient. During **Bold, Empowered Girls** programs, girls are empowered to resist gender stereotypes and negative messages they encounter in the media, in addition to equipping girls with skills to keep themselves safe. During 2019, the Organization delivered 285 programs and served 2,965 girls through 3,677 program registrations.

New Accounting Pronouncements: The Organization adopted the following new accounting pronouncements on January 1, 2019.

- **Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*** and the related amendments with the same effective date (together, ASC 606). ASC 606 was adopted as prescribed by the Financial Accounting Standards Board (FASB). ASC 606 was adopted using the modified retrospective method of adoption. The core principle of ASC 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASC 606 did not have a significant impact on the Organization's revenue recognition, financial position, results of operations or cash flows. Therefore, no cumulative-effect adjustment to net assets as of January 1, 2019 was required upon adoption.

- **ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*** (ASU No. 2018-08). ASU No. 2018-08 was adopted using a modified prospective basis as prescribed by the FASB. ASU No. 2018-08 clarifies and improves accounting guidance for contributions received and contributions made by providing guidance on whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of ASC Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and whether a contribution is conditional. No prior period results were restated and there was no cumulative-effect adjustment to net assets as of January 1, 2019. The adoption of ASU 2018-08 did not have a significant impact on the Organization's financial statements.

- **ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*** (ASU No. 2016-08). ASU No. 2016-18 was adopted as prescribed by the FASB using a retrospective adoption methodology. ASU No. 2016-18 requires that a statement of cash flows explain the change during the year in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation: The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- ***Net Assets Without Donor Restrictions*** are not subject to donor-imposed restrictions and may be used at the discretion of the Organization's management and Board of Directors. This net asset category includes the board designated endowment through designation by the Board of Directors and other Board-designated net assets.

- ***Net Assets With Donor Restrictions*** are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

  Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Restrictions expire when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash and Equivalents consists of cash on hand or in demand deposit accounts and highly liquid investments purchased with an original maturity of three months or less. The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Organization has not experienced any losses from its bank accounts.

Promises to Give consist of amounts that have been unconditionally promised to the Organization. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Amounts expected to be collected in one year are recorded at net realizable value, and amounts expected to be collected in future years are initially recorded at the present value of their estimated future cash flows.

Promises to give are reported net of an allowance for uncollectible amounts and net of any discount to present value. Management estimates an allowance for uncollectible promises based on current economic conditions, historical trends, and current and past experience with their donor base. Management determined that an allowance was not necessary at December 31, 2019 and 2018.

Investment Valuation and Income Recognition: Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are stated at fair value. See Note 3 for discussion of fair value measurements.

Investment return (loss) reported in the statements of activities consists of interest and dividend income and realized and unrealized capital gains and losses, net of external and direct internal investment expenses. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. Purchases and sales of investments are recorded on the trade date. Gains and losses on the sale of investments are determined using the specific-identification method.

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment: Expenditures for property and equipment are stated at cost for purchased assets, or at fair value at the date of donation for donated assets, less accumulated depreciation. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives, which are 3-10 years for furnishings and equipment and 15-40 years for buildings and improvements.

The Organization's property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets. No adjustments to the carrying amount of property and equipment were required in 2019 and 2018.

Beneficial Interest in Assets Held by Community Foundation: The Central Indiana Community Foundation (CICF) holds a fund designated for use by the Organization. The principal amount of $10,000 will remain permanently with CICF. The Organization granted variance power to CICF. Five percent of the fund's balance is available to be paid to the Organization annually without restrictions as to its use. This fund is not recorded on the statements of financial position. The fair market value of the fund was $11,875 and $10,631 as of December 31, 2019 and 2018, respectively. No distributions were taken from the fund in 2019 and 2018.

Contributions are recognized as support when they are received or unconditionally promised. Grants and contracts are classified as contributions in instances in which a resource provider is not itself receiving commensurate value for the resources provided. Contributions are considered conditional when the agreement with the resource provider includes a barrier that must be overcome and either a right of return of assets transferred or right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized as revenue until the conditions are substantially met.

Grants and contracts normally provide for the recovery of direct costs. Entitlement to the recovery of the direct costs is conditional upon compliance with the terms and conditions of the grant agreements and with applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance reviews and audits by the grantors. Management believes an adverse material outcome from those reviews and audits is unlikely.

In-Kind Contributions: Contributions of services are recorded at estimated fair value when received if such services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. The Organization also leverages, recruits, trains and manages an average of 130 volunteers servicing an average of 84 program partners, approximately 800 hours of service for 2019, to efficiently and effectively provide most of its programs throughout the year. The value of these contributed services is not reflected in the financial statements, as they do not meet the recognition criteria. Contributions of food, equipment, and other goods are recorded at estimated fair value when received. In-kind contributions recognized on the statements of activities were $1,605 in 2019 and $5,403 in 2018. In-kind contributions for special events are recognized as special events income in the statements of activities.

Program Service Revenue is recognized when earned at the time the service is performed. Program service fees received in advance are included in deferred revenue until the related services are performed.

Rental Income is recognized on a straight-line basis over the rental period and includes storage and parking fees and any reimbursements from tenants for common area maintenance, insurance, and real estate tax expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are charged to the specific programs and supporting services benefited. Expenses related to more than one function are allocated among program and support services based on occupied space (including, occupancy, interest, and depreciation and amortization) or time spent by Organization staff (including, personnel expenses, office expenses, information technology, travel, and conferences and meetings). Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes: The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income tax for the years ended December 31, 2019 and 2018.

The Organization files U.S. federal and state of Indiana information returns. The Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2016.

Subsequent Events: Management has evaluated the financial statements for subsequent events occurring through June 9, 2020, the date the financial statements were available to be issued. See Notes 7, 10, and 14.

NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY

The following reflects the Organization's financial assets and liquidity resources available for general expenditure that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 and 2018:

	2019	**2018**
Cash and equivalents	$ 1,073,071	$ 84,983
Promises to give	326,382	275,433
Board-designated endowment investments	1,062,219	970,710
Endowment investments	2,250,000	
Total Financial Assets	4,711,672	1,331,126
Cash and equivalents - Lilly Endowment projects	(634,978)	
Promises to give scheduled to be collected in more than one year	(51,566)	
Board-designated endowment, less appropriation for use over next year	(1,014,419)	(870,710)
Endowment funds not available for general expenditure within one year	(2,250,000)	
Total Financial Assets and Liquidity Resources Available to Meet General Expenditures Within One Year	$ 760,709	$ 460,416

The Organization's board designated endowment operates like an endowment. Although the Organization does not intend to spend from its board directed funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from the board designated endowment could be made available if necessary. See Note 6.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in short-term investments, including certificate of deposits and money market fund shares. As described in Note 7, the Organization also has a committed line of credit in the amount of $300,000 which it could draw upon in the event of an unanticipated liquidity need.

NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY (CONTINUED)

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Organization has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

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

Level 2 – Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Organization makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Following is a description of the valuation methodologies used by the Organization for assets that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Money Market Fund Shares and Mutual Fund Shares: Valued at the daily closing price as reported by the funds. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds held by the Organization are deemed to be actively traded.

Common Stocks and Exchange-traded Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Municipal Bonds and U.S. Government Obligations: Valued using pricing models maximizing the use of observable inputs for similar securities.

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Certificates of Deposit: Valued by discounting cash flows based on interest rates of similar instruments with similar credit ratings and duration.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain assets could result in a different fair value measurement at the reporting date.

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Organization's assets that are measured at fair value on a recurring basis as of December 31, 2019 and 2018:

2019	**Level 1**	**Level 2**	**Total**
Assets			
Endowment Investments:			
Certificates of deposit		$2,250,000	$2,250,000
Board-designated Endowment Investments:			
Money market fund shares	$ 52,212		52,212
Common stocks:			
Large cap	99,592		99,592
International	5,192		5,192
	104,784		104,784
Corporate bonds:			
Intermediate-term		36,688	36,688
Municipal bonds:			
Short-term		10,045	10,045
Intermediate-term		5,183	5,183
		15,228	15,228
Exchange-traded funds:			
International	5,340		5,340
Large cap	111,685		111,685
	117,025		117,025
Mutual fund shares:			
Small cap equity	32,611		32,611
Mid cap equity	96,204		96,204
Large cap equity	271,019		271,019
Fixed income intermediate-term	210,098		210,098
Real Estate Investment Trust	1,379		1,379
International	93,619		93,619
	704,930		704,930
U.S. government obligations		31,352	31,352
Total Assets at Fair Value	$978,951	$2,333,268	$3,312,219

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

2018	Level 1	Level 2	Total
Assets			
Board-designated Endowment Investments:			
Money market fund shares	$ 43,056		$ 43,056
Common stocks:			
Large cap	80,484		80,484
International	1,551		1,551
	82,035		82,035
Corporate bonds:			
Intermediate-term		$34,909	34,909
Municipal bonds:			
Short-term		30,453	30,453
Intermediate-term		5,098	5,098
		35,551	35,551
Exchange-traded bunds:			
International	9,536		9,536
Large cap	168,696		168,696
	178,232		178,232
Mutual fund shares:			
Small cap equity	29,719		29,719
Mid cap equity	65,679		65,679
Large cap equity	199,059		199,059
Fixed income short-term	107,211		107,211
Fixed income intermediate-term	106,537		106,537
Real Estate Investment Trust	2,115		2,115
International	62,104		62,104
	572,424		572,424
U.S. government obligations		24,703	24,703
Total Assets at Fair Value	$875,747	$95,163	$970,910

At December 31, 2019 and 2018, the Organization had no other assets and no liabilities that are measured at fair value on a recurring basis.

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give were estimated to be collected as follows as of December 31, 2019 and 2018:

	2019	2018
Within one year	$277,385	$272,615
In one to five years	51,566	2,818
	328,951	275,433
Unamortized discounts	(2,569)	
Total Promises to Give	$326,382	$275,433

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2019 and 2018:

	2019	2018
Land	$ 194,000	$ 194,000
Buildings and improvements	1,093,536	1,086,847
Volunteer and partner portals	103,292	103,292
Furnishings and equipment	381,187	371,813
	1,772,015	1,755,952
Less: Accumulated depreciation and amortization	(867,130)	(819,616)
Total Property and Equipment, net	$ 904,885	$ 936,336

NOTE 6 - ENDOWMENT

The Organization's endowment consists of two individual funds established for securing the future of the Organization. The endowment includes both donor-restricted endowment funds and funds functioning as endowment as directed by the Board.

Interpretation of Relevant Law

The Organization is subject to the Indiana Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions, because those assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Amount appropriated for expenditure from the donor-restricted endowment funds are available for general expenditure and are reclassified to net assets without donor restrictions upon appropriation. The Board of Directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

NOTE 6 - ENDOWMENT (CONTINUED)

The endowment net asset composition by type of fund as of December 31, 2019 and 2018, was as follows:

2019	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	$1,062,219		$1,062,219
Donor-restricted endowment funds:			
Original gifts and amounts required to be maintained in perpetuity by donors		$2,250,000	2,250,000
Total Endowment Funds	$1,062,219	$2,250,000	$3,312,219
2018			
Board-designated endowment	$ 970,710		$ 970,710
Total Endowment Funds	$ 970,710		$ 970,710

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of gifts donated to the donor-restricted endowment or the level that the donors otherwise require the Organization to retain as a fund of perpetual duration. There were no underwater endowment funds at December 31, 2019 and 2018.

Investment and Spending Policies

The Organization has adopted investment and spending policies for the donor restricted endowment and the board designated endowment that attempt to provide a predictable stream of funding while seeking to maintain the fair value of the donor restricted endowment assets and board designated assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments. The target minimum rate of return is an average of approximately 4%-5% annually. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization, as it relates to its endowed investments, targets a diversified asset allocation that places an emphasis on equities and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

The spending policy of the donor-restricted endowment funds is governed by the grant agreement which provided the funds. Whenever the balance of the endowment fund is equal to or less than the original gift value, the maximum spending from the endowment fund for the Organization's next fiscal year is 2% of the endowment fund balance. This maximum spending limit continues until the endowment fund balance exceeds the original gift value. Whenever the endowment fund balance is greater than the original gift value, the Organization may spend any percentage or amount of the endowment fund as is consistent with its prudent spending policies for donor-designated endowments and applicable law; provided, however, that if such spending would cause the endowment fund balance to fall below the original gift value, then the spending for the next fiscal year is limited to the greater of (i) the excess of the endowment fund balance over the original gift value or (ii) 2% of the endowment fund balance.

NOTE 6 - ENDOWMENT (CONTINUED)

The Organization has a policy of allowing the distribution each year of 5% of the fair value of its board designated endowment to further the operations of Organization as determined by the Board of Directors. The policy also allows for additional spending at the discretion of the Board, which was utilized in 2019 and 2018. In establishing this policy, the Organization considered the long-term expected return on the board designated endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its investments in the board designated endowment to grow at an average of 1-3% annually. This is consistent with the Organization's objective to maintain the fair value of the board designated endowment to provide additional real growth through new gifts and investment return.

Activity in the endowment by net asset class for 2019 and 2018 is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at December 31, 2017	$1,257,426		$1,257,426
Investment return, net	(39,892)		(39,892)
Appropriation of endowment assets for expenditure	(246,824)		(246,824)
Balance at December 31, 2018	970,710		970,710
Investment return, net	191,004		191,004
Contributions		$2,250,000	2,250,000
Appropriation of endowment assets for expenditure	(99,495)		(99,495)
Balance at December 31, 2019	$1,062,219	$2,250,000	$3,312,219

NOTE 7 - DEBT AND CREDIT ARRANGEMENTS

The Organization has a $300,000 line of credit from a bank available through April 4, 2020, for their short-term borrowing needs. Borrowings bear interest at the Bank's prime rate, as defined, with a minimum rate of 3.75%. The interest rate at December 31, 2019 was 4.75%. The line is secured by the Organization's investments at a 75% advance ratio on borrowings. The line is also subject to certain restrictive covenants including the maintenance of a specified net asset balance. There were no borrowings outstanding at December 31, 2019 and 2018. The line of credit was amended in April 2020 to extend the term through April 2021.

Note payable consisted of a term note with the Bank that requires monthly payments of principal and interest in the amount of $2,343, with a balloon payment of principal and accrued interest due on March 26, 2020. Borrowings bear interest at the Bank's prime rate, as defined, with a minimum rate of 4%. The interest rate at December 31, 2019 was 4.75%. The Organization had borrowing outstanding of $324,905 and $337,722 at December 31, 2019 and 2018, respectively. The note is secured by a mortgage on the land and building used as the Organization's headquarters, with a net book value of $904,885 at December 31, 2019, and is subject to certain restrictive covenants including the maintenance of a specified net asset balance, tested annually.

The note payable was refinanced on March 26, 2020 to provide for monthly payments of principal and interest of $3,328, through maturity in March 2030. Interest under the note is calculated at the Series/Run USD Rates 1100, as defined, plus 3.25%.

Total interest expense was $18,040 in 2019 and $17,821 in 2018.

NOTE 7 - DEBT AND CREDIT ARRANGEMENTS (CONTINUED)

At December 31, 2019, the maturities of the note payable, as refinanced, for the next five years were as follows:

Payable In	Principal
2020	$21,947
2021	27,131
2022	28,351
2023	29,626
2024	30,959

NOTE 8 - NET ASSETS

Net Assets Without Donor Restrictions

Net assets without donor restrictions consisted of the following as of December 31, 2019 and 2018:

	2019	2018
Board-designated endowment	$1,062,219	$ 970,710
Invested in property and equipment, net of related debt	579,980	598,614
Undesignated	(98,142)	(80,095)
Net Assets Without Donor Restrictions	$1,544,057	$1,489,229

Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2019 and 2018:

	2019	2018
Subject to Expenditures for Specified Purpose:		
Summer camp		$ 5,059
Special projects	$ 226,108	149,090
Empower Hubs	750,000	
Scholarship	21,309	24,409
Available for future use	144,461	89,100
Promises to give, the proceeds from which have been restricted by donors for:		
Summer camp	178,479	
Available for use in future periods	128,460	127,378
	1,448,817	395,036
Endowment, the income of which is available for general use:	2,250,000	
Total Net Assets With Donor Restrictions	$3,698,817	$395,036

NOTE 8 - NET ASSETS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31, 2019 and 2018:

	2019	2018
Expiration of time restrictions	$494,066	$601,570
Satisfaction of purpose restrictions:		
Smart college	3,100	
Summer camp	66,144	52,667
Special projects	85,340	16,224
Available for use	18,998	63,139
Total Net Assets Released from Restrictions	$667,648	$733,600

NOTE 9 - GRANTS PAYABLE TO AFFILIATES

In November 2015, the Organization received a $2,000,000 grant from Lilly Endowment, Inc. for its *Work It Out* and *Redefining Beauty* outreach collaboration project to be implemented through December 31, 2018. Of this award, $950,655 is to fund three years of program support for the Organization (including funds to upgrade the program database and volunteer on-line registration portal).

The remaining $1,049,345 was sub-granted, payable over three years, to the following Indiana Girls Inc. affiliates: Girls Inc. of Monroe County, Girls Inc. of Wayne County, Girls Inc. of Shelbyville/Shelby County, Girls Inc. of Jackson County, Girls Inc. of Johnson County and Girls Inc. of Jefferson County. These funds are for (a) expansion of *Work It Out* and *Redefining Beauty* into their service areas (b) the increase of program options for the girls those affiliates currently serve (c) the increase of the number of girls served by outreach programs (d) the development or expansion of relationships with organizations serving similar populations, and (e) related program technology purchases. The Organization will provide curriculum, training and consultation to the other Girls Inc. affiliates to assist in these outreach efforts to better serve Indiana girls.

All payables to affiliates were paid in full in 2018.

NOTE 10 - OPERATING LEASES

The Organization leases office equipment under long-term operating leases through March 2025. Rental expense each year under the leases is based on the total lease commitment, recognized on a straight-line basis over the term of the related lease. Total rental expense was $780 in 2019 and 2018.

The future minimum lease payments required by the long-term noncancellable operating lease as of December 31, 2019, were as follows:

Payable In	Lease Payments
2020	$ 780
2021	780
2022	780
2023	780
2024	780
Thereafter	195
	$4,095

NOTE 10 - OPERATING LEASES (CONTINUED)

Beginning in April 2020, the Organization entered into sublease rental agreement for a portion of its space to a third party with future rent revenues of $4,500 in 2020, $6,000 in 2021 and $1,500 in 2022.

NOTE 11 - EMPLOYEE BENEFITS

The Organization offers a 403(b) plan covering substantially all employees who fulfill eligibility requirements. Employees in the Plan are required to make a minimum 2% contribution to receive the Organization's matching contribution of 2% in 2019 and 2018. The Organization's contributions to the Plan were $5,332 in 2019 and $4,394 in 2018.

NOTE 12 - RELATED PARTY TRANSACTIONS

The Organization is an affiliate of Girls Incorporated® (National). This affiliation allows the Organization access to National's program curricula, expert guidance, and grant awards. The Organization paid $12,000 in dues to National in 2019 and 2018.

NOTE 13 - CONCENTRATIONS OF FUNDING

The Organization received approximately 78% and 61% of total support and revenue for the years ended December 31, 2019 and 2018, respectively, from two donors. The Organization had approximately 89% and 58% of promises to give due from three and two donors as of December 31, 2019 and 2018, respectively.

NOTE 14 - UNCERTAINTY RELATED TO CORONAVIRUS

On January 30, 2020, the World Health Organization declared a global health emergency over the novel coronavirus known as COVID-19. The ultimate impact of the outbreak to the Organization's financial results and operations cannot be determined at this time; however, management is taking actions to mitigate the impact of the outbreak to the Organization. On April 14, 2020, the Organization received a loan of $136,000 under the Paycheck Protection Program of the CARES Act. The loan bears interest at 1% and matures in April 2022. The loan will be fully or partially forgiven if the Organization meets certain conditions, including use of the funds for qualifying purposes.