



**GIRLS INCORPORATED®
OF GREATER INDIANAPOLIS**

FINANCIAL REPORT

December 31, 2022



**girls
inc.**

**of Greater
Indianapolis**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Girls Incorporated® of Greater Indianapolis

Opinion

We have audited the financial statements of Girls Incorporated of Greater Indianapolis® (the "Organization") which comprise the statements of financial position as of December 31, 2022 and 2021, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, and the results of its operations and 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 Organization's ability to continue as a going concern for 12 months beyond the date of this report.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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.

INDEPENDENT AUDITOR'S REPORT - continued

Auditor's Responsibilities for the Audit of the Financial Statements - continued

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 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 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.

Pile CPAs

Indianapolis, Indiana
May 18, 2023

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 215,485	\$ 124,449
Grants receivable	200,000	-
Prepaid expense and other assets	39,734	36,226
TOTAL CURRENT ASSETS	455,219	160,675
<u>INVESTMENTS AND OTHER ASSETS</u>		
Operating lease right-of-use assets, net	1,423	-
Grants receivable, net of current	100,000	-
Investments, at fair value	3,329,094	4,514,078
Beneficial interest in assets held by others	14,296	16,253
Property and equipment, net	971,294	1,028,357
	4,416,107	5,558,688
TOTAL ASSETS	\$ 4,871,326	\$ 5,719,363
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Current portion of right-of-use operating lease liability	\$ 740	\$ -
Notes payable, current portion	29,638	28,363
Accounts payable and accrued expenses	58,624	36,373
Deferred revenue	6,250	17,268
TOTAL CURRENT LIABILITIES	95,252	82,004
<u>LONG-TERM LIABILITIES</u>		
Right-of-use operating lease liability, net of current portion	560	-
Notes payable, less current portion	217,857	247,493
TOTAL LONG-TERM LIABILITIES	218,417	247,493
<u>NET ASSETS</u>		
Without donor restrictions:	1,149,673	1,856,398
With donor restrictions:		
Purpose restrictions	1,157,984	1,283,468
Perpetual in nature	2,250,000	2,250,000
	3,407,984	3,533,468
TOTAL NET ASSETS	4,557,657	5,389,866
TOTAL LIABILITIES AND NET ASSETS	\$ 4,871,326	\$ 5,719,363

See Notes to Financial Statements.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

STATEMENTS OF ACTIVITIES

Year ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
Grants	\$ -	\$ 1,146,507	\$ 1,146,507
Contributions of cash	269,685	47,818	317,503
Contributions of nonfinancial assets	-	-	-
	<u>269,685</u>	<u>1,194,325</u>	<u>1,464,010</u>
Program service fees	91,333	-	91,333
Investment income (loss):			
Interest and dividends, net of fees	12,086	36,539	48,625
Unrealized gain (loss)	(204,990)	(405,266)	(610,256)
Realized gain (loss)	10,894	(165,997)	(155,103)
Other income, net	6,000	(1,957)	4,043
Net assets released from restrictions	<u>783,128</u>	<u>(783,128)</u>	<u>-</u>
	<u>698,451</u>	<u>(1,319,809)</u>	<u>(621,358)</u>
TOTAL SUPPORT AND REVENUE	<u>968,136</u>	<u>(125,484)</u>	<u>842,652</u>
<u>EXPENSES</u>			
Program services	1,209,882	-	1,209,882
Support services	464,979	-	464,979
TOTAL EXPENSES	<u>1,674,861</u>	<u>-</u>	<u>1,674,861</u>
CHANGE IN NET ASSETS	(706,725)	(125,484)	(832,209)
<u>NET ASSETS</u>			
Beginning of year	<u>1,856,398</u>	<u>3,533,468</u>	<u>5,389,866</u>
End of year	<u>\$ 1,149,673</u>	<u>\$ 3,407,984</u>	<u>\$ 4,557,657</u>

See Notes to Financial Statements.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

STATEMENTS OF ACTIVITIES - continued

Year ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
Grants	\$ 94,000	\$ 583,019	\$ 677,019
Contributions of cash	308,293	24,600	332,893
Contributions of nonfinancial assets	<u>2,146</u>	<u>-</u>	<u>2,146</u>
	<u>404,439</u>	<u>607,619</u>	<u>1,012,058</u>
Program service fees	39,281	-	39,281
Investment income (loss):			
Interest and dividends, net of fees	11,576	36,353	47,929
Unrealized gain (loss)	(4,887)	(17,170)	(22,057)
Realized gain (loss)	119,390	329,284	448,674
Other income, net	6,600	3,380	9,980
Net assets released from restrictions	<u>987,424</u>	<u>(987,424)</u>	<u>-</u>
	<u>1,159,384</u>	<u>(635,577)</u>	<u>523,807</u>
TOTAL SUPPORT AND REVENUE	<u>1,563,823</u>	<u>(27,958)</u>	<u>1,535,865</u>
<u>EXPENSES</u>			
Program services	1,156,329	-	1,156,329
Support services	<u>466,743</u>	<u>-</u>	<u>466,743</u>
TOTAL EXPENSES	<u>1,623,072</u>	<u>-</u>	<u>1,623,072</u>
CHANGE IN NET ASSETS	(59,249)	(27,958)	(87,207)
<u>NET ASSETS</u>			
Beginning of year	<u>1,915,647</u>	<u>3,561,426</u>	<u>5,477,073</u>
End of year	<u>\$ 1,856,398</u>	<u>\$ 3,533,468</u>	<u>\$ 5,389,866</u>

See Notes to Financial Statements.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended December 31, 2022

	<u>Program Services</u>						<u>Supporting Activities</u>				
	<u>Camp</u>	<u>Empower Hub</u>	<u>Outreach</u>	<u>Eureka!</u>	<u>YWIL</u>	<u>Accelerate</u>	<u>Total Program</u>	<u>Mgmt. and General</u>	<u>Fund-raising</u>	<u>Total Supporting</u>	<u>Total</u>
Commissions and fees	\$ 943	\$ 83	\$ -	\$ 65	\$ 150	\$ -	\$ 1,241	\$ 897	\$ 1,453	\$ 2,350	\$ 3,591
Conference expense	-	-	-	-	-	-	-	4,606	-	4,606	4,606
Contract service expense	10,217	9,963	2,000	10,567	2,820	-	35,567	25,655	68,767	94,422	129,989
Depreciation	5,558	15,158	4,105	8,463	6,316	3,032	42,632	5,116	15,411	20,527	63,159
Girls, Inc. national dues	600	4,800	960	1,800	1,020	-	9,180	720	2,100	2,820	12,000
Insurance	1,357	3,819	1,022	2,099	1,555	728	10,580	1,255	3,779	5,034	15,614
Interest expense	575	4,620	920	1,765	978	-	8,858	710	2,012	2,722	11,580
Marketing and cultivation	707	1,277	372	9,776	3,789	25	15,946	2,576	3,729	6,305	22,251
Miscellaneous	20	20	20	158	138	-	356	-	-	-	356
Occupancy	18,334	7,342	2,638	5,342	2,884	1,814	38,354	6,926	7,493	14,419	52,773
Payroll taxes and benefits	6,959	71,080	22,900	22,777	27,542	3,770	155,028	29,910	16,794	46,704	201,732
Postage and shipping expense	-	-	2	12	2	-	16	241	309	550	566
Printing and publications	940	1,597	1,088	329	293	-	4,247	162	1,759	1,921	6,168
Professional services and fees	1,471	4,012	1,086	2,240	1,672	802	11,283	25,611	4,078	29,689	40,972
Repairs and maintenance	61	1,443	112	273	228	-	2,117	740	196	936	3,053
Salaries and wages	78,922	310,442	111,438	99,996	99,841	50,161	750,800	76,327	133,642	209,969	960,769
Scholarships	-	-	-	-	2,500	-	2,500	-	-	-	2,500
Supplies	18,775	13,165	1,275	23,686	8,137	49	65,087	1,850	292	2,142	67,229
Technology	1,237	7,806	2,246	12,983	1,932	32	26,236	3,244	7,326	10,570	36,806
Telephone	438	2,547	3,497	1,044	1,006	319	8,851	1,641	1,611	3,252	12,103
Travel and transportation	3,663	4,201	828	6,015	2,368	-	17,075	214	41	255	17,330
Volunteer and staff development	616	1,116	1,276	453	467	-	3,928	4,338	1,448	5,786	9,714
	<u>\$ 151,393</u>	<u>\$ 464,491</u>	<u>\$ 157,785</u>	<u>\$ 209,843</u>	<u>\$ 165,638</u>	<u>\$ 60,732</u>	<u>\$1,209,882</u>	<u>\$ 192,739</u>	<u>\$ 272,240</u>	<u>\$ 464,979</u>	<u>\$1,674,861</u>

See Notes to Financial Statements.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

STATEMENTS OF FUNCTIONAL EXPENSES - continued

Year ended December 31, 2021

	Program Services						Supporting Activities				
	Camp	Empower Hub	Outreach	Eureka!	YWIL	Accelerate	Total Program	Mgmt. and General	Fund-raising	Total Supporting	Total
Commissions and fees	\$ 999	\$ 60	\$ -	\$ 136	\$ 105	\$ -	\$ 1,300	\$ 353	\$ 2,179	\$ 2,532	\$ 3,832
Conference expense	-	298	-	-	-	-	298	-	-	-	298
Contract service expense	10,007	259,539	1,606	15,217	14,335	-	300,704	48,230	57,716	105,946	406,650
Depreciation	3,013	24,103	4,821	9,402	5,122	-	46,461	3,615	10,545	14,160	60,621
Girls, Inc. national dues	600	4,800	960	1,800	1,020	-	9,180	720	2,100	2,820	12,000
Insurance	749	5,995	1,199	2,248	1,274	-	11,465	899	2,623	3,522	14,987
Interest expense	640	5,119	1,024	1,920	1,088	-	9,791	894	2,240	3,134	12,925
Marketing and cultivation	6	2,124	15	2,141	1,844	-	6,130	1,869	4,993	6,862	12,992
Miscellaneous	-	240	-	-	-	-	240	82	685	767	1,007
Occupancy	6,534	12,273	2,455	9,602	2,608	-	33,472	1,841	5,370	7,211	40,683
Payroll taxes and benefits	5,516	41,094	16,587	21,442	12,916	-	97,555	19,583	28,965	48,548	146,103
Postage and shipping expense	5	32	4	587	64	-	692	130	1,596	1,726	2,418
Printing and publications	398	904	-	462	165	-	1,929	321	3,785	4,106	6,035
Professional services and fees	836	6,816	1,337	2,507	1,421	-	12,917	1,003	2,925	3,928	16,845
Repairs and maintenance	41	580	66	123	70	252	1,132	2,624	269	2,893	4,025
Salaries and wages	48,853	200,925	96,975	106,967	83,135	-	536,855	62,197	175,178	237,375	774,230
Scholarships	-	-	-	-	10,000	-	10,000	-	-	-	10,000
Supplies	11,322	7,040	1,498	11,428	6,008	-	37,296	1,227	462	1,689	38,985
Technology	1,098	8,091	2,681	3,564	1,854	-	17,288	4,500	11,212	15,712	33,000
Telephone	302	2,659	3,119	1,066	660	-	7,806	360	1,172	1,532	9,338
Travel and transportation	2,157	2,179	664	2,826	1,714	-	9,540	25	18	43	9,583
Volunteer and staff development	1,547	2,025	64	176	466	-	4,278	1,582	655	2,237	6,515
	<u>\$ 94,623</u>	<u>\$ 586,896</u>	<u>\$ 135,075</u>	<u>\$ 193,614</u>	<u>\$ 145,869</u>	<u>\$ 252</u>	<u>\$1,156,329</u>	<u>\$ 152,055</u>	<u>\$ 314,688</u>	<u>\$ 466,743</u>	<u>\$1,623,072</u>

See Notes to Financial Statements.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

STATEMENTS OF CASH FLOWS

Year ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (832,209)	\$ (87,207)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	63,159	60,621
Net change in operating lease right-of-use assets / liabilities	(123)	-
Realized and unrealized (gain) loss on investments	765,359	(426,617)
Unrealized (gain) on beneficial interest	1,957	(3,380)
(Increase) decrease in:		
Grants receivable	(300,000)	172,120
Prepaid expense and other assets	(3,508)	6,189
Increase (decrease) in:		
Accounts payable and accrued expenses	22,251	(26,822)
Deferred revenue	(11,018)	12,268
Net cash (used in) operating activities	<u>(294,132)</u>	<u>(292,828)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(4,818,872)	(4,139,798)
Sales of investments	5,238,497	4,442,898
Purchase of property and equipment	<u>(6,096)</u>	<u>(54,900)</u>
Net cash provided by (used in) investing activities	<u>413,529</u>	<u>248,200</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Borrowings on line of credit	-	100,000
Payments on line of credit	-	(100,000)
Principal payments on long-term debt	<u>(28,361)</u>	<u>(27,142)</u>
Net cash (used in) financing activities	<u>(28,361)</u>	<u>(27,142)</u>
Increase (decrease) in cash and cash equivalents	91,036	(71,770)
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning	<u>124,449</u>	<u>196,219</u>
Ending	<u>\$ 215,485</u>	<u>\$ 124,449</u>

See Notes to Financial Statements.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

STATEMENTS OF CASH FLOWS - continued

Year ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>SUPPLEMENTAL DISCLOSURE</u>		
<u>OF CASH FLOW INFORMATION</u>		
Cash paid for interest	\$ <u>11,580</u>	\$ <u>12,925</u>
In-kind contributions	\$ <u>-</u>	\$ <u>2,146</u>
Right-of-use assets obtained in exchange for new lease obligations:		
Operating Leases	\$ <u>2,155</u>	\$ <u>-</u>

See Notes to Financial Statements.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

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, and alumnae up to age 24, through a collaborative program model with dozens of community partners in the greater Indianapolis area. Today, the Organization is committed to enhancing the programming designed to achieve more transformational results in Marion County. The Organization is focused on the "whole girl" with comprehensive programming in healthy living, academic enrichment & support, and life skills instruction. They help girls take charge of their futures, equipping them with tools and skills which are fundamental for leadership and for achieving their goals through more than 20,000 hours of programming each year.

A summary of the Organization's significant accounting policies follows:

A. Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting.

B. Basis of Presentation

These financial statements have been prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions in conformity with accounting principles generally accepted in the United States of America. This has been done by classification of fund transactions and balances into two categories of net assets:

Net Assets without Donor Restrictions: These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions: These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

C. Cash

The Organization maintains cash balances at one commercial bank. The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. To date, there have been no losses on such accounts.

D. Concentration of Risks

In 2022 and 2021, approximately 45% and 18% of the Organization's total revenue was from one donor, respectively.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - continued

E. Receivables

Grants receivable include reimbursements and unconditional promises to give, and are reported at net realizable value. All amounts are fully collectible, and none are considered uncollectible as of the years ended December 31, 2022 and 2021.

F. Investments

The Organization accounts for investments with readily determinable fair values in the statement of financial position at fair value. Fair value is 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.

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. Unrealized gains and losses are included in the statement of activities.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the Organization's financial statements.

G. Property and Equipment

Property and equipment are stated at cost. Donated property and equipment is recorded at fair value. The Organization's capitalization policy is \$1,000 for assets purchased with an estimated useful life of three years or more. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Estimated useful lives for furniture and equipment range from 3 to 7 years and buildings and improvements range from 10 to 40 years.

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying value may not be fully recoverable. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. During the years ended December 31, 2022 and 2021, there was no impairment loss recognized on long-lived assets.

Expenditures for property and equipment and for renewals or betterments which extend the originally estimated economic life of the assets are capitalized. Expenditures for maintenance and repairs are charged to expense. When an asset is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of activities.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - continued

H. Support and Revenue

The Organization receives support from private contributions and grants, and recognizes this support when cash or an unconditional promise to give is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Contributions and grants recognized are recorded as net assets without donor restrictions or net assets with donor restrictions depending upon the existence and/or nature of any donor restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

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.

I. Contributions of Nonfinancial Assets

Contributions of nonfinancial assets include food, equipment, and other goods which are recorded at the respective fair values of the goods or services received. Professional services are valued at estimated fair value based on current rates for similar professional services.

The Organization also receives donated services from unpaid volunteers who perform a variety of tasks that support the Organization's activities. No amounts have been recognized for these services in the statement of activities since the criteria for recognition have not been satisfied.

J. Leases

Effective January 1, 2022, the Organization adopted the provisions of ASC Topic 842, Leases. The standard requires lessees to recognize most leases on their balance sheets as a right-of-use ("ROU") asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the standard retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - continued

J. Leases - continued

The Organization adopted Topic 842, Leases, on January 1, 2022, using the optional transition method as provided by Accounting Standards Update ("ASU") No. 2018-11, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Organization's historical accounting treatment under ASC Topic 840, Leases.

The Organization elected the "package of practical expedients" under the transition guidance within Topic 842, in which the Organization does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Organization has not elected to adopt the "hindsight" practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on January 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease, or January 1, 2022, for existing leases upon the adoption of Topic 842. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. Absent an implicit rate to determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date, or remaining term for leases existing upon the adoption of Topic 842, or uses an incremental borrowing rate.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - continued

J. Leases - continued

The Organization has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate and equipment asset classes. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the Organization's operating leases of approximately \$2,155 and \$2,033, respectively, at January 1, 2022. The adoption of the new lease standard did not materially impact consolidated net earnings or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of retained earnings.

K. Functional 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.

L. Tax Status

The Organization is exempt from federal and state income taxes on its related activities under Internal Revenue Service Code Section 501(c)(3). Accordingly, no provision for federal and state income taxes has been made.

The Organization files the required federal and state information returns. Whenever tax returns are filed, the filing organization must evaluate the merits of its tax positions and determine if they will be ultimately sustained. Those tax positions for the Organization include maintaining their tax-exempt status and the taxability of any unrelated business income. The Organization believes these positions are sustainable. Although the Organization has not incurred any interest and penalties associated with these positions, it is their policy to expense them in the statement of activities.

M. Use of Estimates

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES - continued

N. Reclassifications

Certain prior year balances have been reclassified to conform with current year classifications and presentations.

O. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through May 18, 2023, which is the date the financial statements were available to be issued.

NOTE 2 RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, Topic 842, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and corresponding lease liability on the balance sheet at the date of the lease commencement. Leases are classified as either finance or operating, and this distinction is relevant for the pattern of expense recognition in the statement of income. This standard was adopted for the Organization for the year ending December 31, 2022.

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from the contributions of cash and other financial assets, along with expanded disclosure requirements. The Organization adopted and implemented this pronouncement on January 1, 2022 using the prospective method of application. The adoption of ASU 2020-07 resulted in no material changes to the recognition of collections.

NOTE 3 LIQUIDITY AND AVAILABILITY

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 investments. As described in Note 9, 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.

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.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 3 LIQUIDITY AND AVAILABILITY - continued

The table below represents financial assets available for general expenditures within one year at December 31:

Financial assets at year-end:	<u>2022</u>	<u>2021</u>
Cash	\$ 215,485	\$ 124,449
Grants receivable	300,000	-
Other receivables	33,811	22,349
Beneficial interest in assets held by others	14,296	16,253
Investments	<u>3,329,094</u>	<u>4,514,078</u>
Total financial assets	<u>3,892,686</u>	<u>4,677,129</u>
Less amounts not available to be used within one year:		
Investments held for endowments	(2,292,674)	(2,967,396)
Grants receivable, long-term	(100,000)	-
Beneficial interest in assets held by others	(14,296)	(16,253)
Donor-imposed restrictions	<u>(1,101,014)</u>	<u>(549,819)</u>
Financial assets not available to be used within one year	<u>(3,507,984)</u>	<u>(3,533,468)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 384,702</u>	<u>\$ 1,143,661</u>

NOTE 4 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization maintains an Endowment Fund (the "Fund") with the Central Indiana Community Foundation ("CICF"). The primary purpose of the Fund is to provide support to the Organization to carry out its role and mission. All gifts, bequests and devises to this Fund shall be irrevocable once accepted by CICF. The Organization believes the fair value of the future cash flows to be received from its beneficial interest in assets held by CICF approximates the fair value of the underlying assets held by CICF. The assets held at CICF are entirely comprised of pooled investment funds held and managed by CICF. Fair value is based on the net asset value per share as determined by CICF and provided to the Organization. The Fund consists of equities, fixed income, venture capital and private equity, marketable alternatives, real assets, and cash equivalent funds. The investment is directed by CICF and the portfolio is designed to achieve returns consistent with CICF's adopted investment policies. The Organization is the only beneficiary of the investment earnings, which are distributed in accordance with the agreements between CICF and the Organization.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 194,000	\$ 194,000
Buildings and improvements	1,257,849	1,257,849
Volunteer and partner portals	7,743	7,743
Furnishings and equipment	<u>174,264</u>	<u>168,167</u>
	1,633,856	1,627,759
Less: accumulated depreciation	<u>(662,562)</u>	<u>(599,402)</u>
	<u>\$ 971,294</u>	<u>\$ 1,028,357</u>

NOTE 6 INVESTMENTS

Investments are presented in the financial statements at fair value. Investments at December 31 are comprised of the following:

	<u>2022</u>		
	Net		
	Unrealized		
	Cost	Gains (Losses)	Fair Value
Money market funds	\$ 502,329	\$ 4,623	\$ 506,952
Certificates of deposit	14,840	(228)	14,612
Equity securities	475,799	68,679	544,478
Fixed Income	252,327	(4,667)	247,660
Mutual Funds	222,373	(17,615)	204,758
Exchange-traded funds ("ETFs")	<u>1,915,532</u>	<u>(104,898)</u>	<u>1,810,634</u>
	<u>\$ 3,383,200</u>	<u>\$ (54,106)</u>	<u>\$ 3,329,094</u>

	<u>2021</u>		
	Net		
	Unrealized		
	Cost	Gains (Losses)	Fair Value
Money market funds	\$ 239,878	\$ 7,992	\$ 247,870
Certificates of deposit	212,024	2,226	214,250
Equity securities	523,882	250,622	774,504
Fixed Income	523,944	(187)	523,757
Mutual Funds	359,620	92,141	451,761
Exchange-traded funds ("ETFs")	<u>2,103,564</u>	<u>198,372</u>	<u>2,301,936</u>
	<u>\$ 3,962,912</u>	<u>\$ 551,166</u>	<u>\$ 4,514,078</u>

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 6 INVESTMENTS - continued

Net return on investments is as follows:

Investment income, net of related expenses of \$23,831 and \$28,418, respectively	<u>2022</u>	<u>2021</u>
	\$ 48,625	\$ 47,929
Realized gain (loss)	(155,103)	448,674
Unrealized gain (loss)	<u>(610,256)</u>	<u>(22,057)</u>
	<u>\$ (716,734)</u>	<u>\$ 474,546</u>

NOTE 7 FAIR VALUE MEASUREMENTS

The Organization utilizes a framework for measuring fair value. That framework provides a fair value hierarchy that 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

- **Level 1** Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- **Level 2** Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- **Level 3** Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

During the years ended December 31, 2022 and 2021, there were no changes to the Organization's valuation techniques that had, or are expected to have, a material impact on its financial position or results of operations.

The following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds: Valued at the net asset value ("NAV") of share by the Organization held at year-end, as reported by each fund.

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

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

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 7 FAIR VALUE MEASUREMENTS - continued

Mutual funds: Valued at the NAV of share held at year-end.

Corporate and government bonds: Valued at the quoted market price for similar securities, which approximates fair value.

Beneficial interest in assets held by others: Determined by Organization's proportionate share of the CICF's pooled investment portfolio. The Organization does not receive a detailed listing of the portfolio's assets. The Organization uses the net asset value to determine the CICF valuation using the market approach.

Assets measured at fair values as of December 31 are summarized as follows:

	2022			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market funds	\$ 506,952	\$ -	\$ 506,952	\$ -
Certificates of deposit	14,612	-	14,612	-
Equity securities:				
Common stock	539,942	539,942	-	-
REIT	-	-	-	-
International	4,536	4,536	-	-
Mutual funds:				
Emerging markets	13,742	13,742	-	-
Small/mid cap	73,054	73,054	-	-
Large cap	76,775	76,775	-	-
International	41,187	41,187	-	-
Fixed income:				
Corporate bonds	113,134	-	113,134	-
Government bonds	134,526	-	134,526	-
Exchange-traded funds:				
Equity funds	1,300,273	1,300,273	-	-
Fixed income funds	510,361	510,361	-	-
	<u>3,329,094</u>	<u>2,559,870</u>	<u>769,224</u>	<u>-</u>
Beneficial interest in assets held by others	<u>14,296</u>	<u>-</u>	<u>14,296</u>	<u>-</u>
 Total Assets at Fair Value	 <u>\$ 3,343,390</u>	 <u>\$ 2,559,870</u>	 <u>\$ 783,520</u>	 <u>\$ -</u>

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 7 FAIR VALUE MEASUREMENTS - continued

	2021			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market funds	\$ 247,870	\$ -	\$ 247,870	\$ -
Certificates of deposit	214,250	-	214,250	-
Equity securities:				
Common stock	628,934	628,934	-	-
REIT	7,898	7,898	-	-
International	137,672	137,672	-	-
Mutual funds:				
Emerging markets	16,763	16,763	-	-
Small/mid cap	147,213	147,213	-	-
Large cap	287,785	287,785	-	-
International	-	-	-	-
Fixed income:				
Corporate bonds	336,277	-	336,277	-
Government bonds	187,480	-	187,480	-
Exchange-traded funds:				
Equity funds	1,668,678	1,668,678	-	-
Fixed income funds	633,258	633,258	-	-
	<u>4,514,078</u>	<u>3,528,201</u>	<u>985,877</u>	<u>-</u>
Beneficial interest in assets held by others	<u>16,253</u>	<u>-</u>	<u>16,253</u>	<u>-</u>
Total Assets at Fair Value	<u>\$ 4,530,331</u>	<u>\$ 3,528,201</u>	<u>\$ 1,002,130</u>	<u>\$ -</u>

NOTE 8 ENDOWMENT FUND

The Organization's endowment consists of donor-restricted contributions from Lilly Endowment to provide long-term organizational and operational sustainability. As required by accounting principles generally accepted in the United States of America ("GAAP"), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor restricted endowment funds, unless there are explicit donor stipulations to the contrary.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 8 ENDOWMENT FUND - continued

Interpretation of Relevant Law - continued

As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give at fair value) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

As of December 31 the Organization had the following endowment net asset composition by type of fund:

	<u>With Donor Restrictions</u>
<u>December 31, 2022</u>	
Donor-restricted endowment funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 2,250,000
Accumulated investment gains (losses)	<u>42,674</u>
	<u>\$ 2,292,674</u>
<u>December 31, 2021</u>	
Donor-restricted endowment funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 2,250,000
Accumulated investment gains (losses)	<u>717,396</u>
	<u>\$ 2,967,396</u>

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 8 ENDOWMENT FUND - continued

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such deficiencies as of December 31, 2022 and 2021.

Investment and Spending Policies

The Organization has adopted investment and spending policies for the donor restricted endowment that attempts to provide a predictable stream of funding while seeking to maintain the fair value of the donor restricted endowment 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.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 8 ENDOWMENT FUND - continued

Changes in Endowment net assets as of December 31 are as follows:

	<u>With Donor Restrictions</u>
Endowment net assets, January 1, 2021	\$ <u>2,618,929</u>
Investment income	36,353
Net appreciation, realized and unrealized	<u>312,114</u>
Total investment return	<u>348,467</u>
Endowment net assets, December 31, 2021	<u>2,967,396</u>
Investment income	36,539
Net depreciation, realized and unrealized	<u>(571,263)</u>
Total investment return	<u>(534,724)</u>
Appropriation of endowment assets for expenditure	<u>(139,998)</u>
Endowment net assets, December 31, 2022	\$ <u><u>2,292,674</u></u>

NOTE 9 LINE OF CREDIT

The Organization has a line of credit from a bank with a maximum debt facility of \$300,000 available through April 1, 2023. Amounts borrowed are secured by a commercial security agreement securing all assets of the Organization. The outstanding balance with the bank at December 31, 2022 and 2021 was \$0. Borrowings bear interest at the Bank's prime rate, as defined, with a minimum rate of 3.50%. The interest rate at December 31, 2022 and 2021 was 7.50% and 3.25%, respectively. On April 1, 2023, the Organization renewed the line of credit through March 30, 2024.

NOTE 10 LONG-TERM DEBT

Notes payable consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Installment note, payable \$2,343 per month plus interest at 4.75% through March 2020, secured by land and building. The note was refinanced in March 2020 with monthly payments of \$3,328 through March 2030 and interest of 4.34%.	\$ <u>247,495</u>	\$ <u>275,856</u>
	247,495	275,856
Less current maturities	<u>(29,638)</u>	<u>(28,363)</u>
	<u>\$ 217,857</u>	<u>\$ 247,493</u>

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 10 LONG-TERM DEBT - continued

Scheduled maturities as of December 31, 2022 are as follows:

2023	\$	29,638
2024		30,943
2025		32,360
2026		33,813
2027		35,333
Thereafter		<u>85,408</u>
	\$	<u><u>247,495</u></u>

NOTE 11 LEASES

The Organization has an equipment lease for their postage machine with a lease term of five years that commenced on December 1, 2019 and expiring in November 2024, with quarterly lease payments of \$188 throughout the term of the agreement.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended December 31, 2022:

	<u>2022</u>
Operating lease cost	\$ <u>629</u>
Total lease cost	\$ <u><u>629</u></u>

Other lease information:

Weighted-average remaining lease term - operating leases	1.92 Years
Weighted-average discount rate - operating leases	1.04%

Maturities of operating lease liabilities as of December 31, 2022 are as follows:

	<u>Equipment</u>
2023	\$ 750
2024	563
Thereafter	<u>-</u>
	1,313
Less imputed interest	<u>(12)</u>
Total present value of lease liabilities	\$ <u><u>1,301</u></u>

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 11 LEASES - continued

Maturities of operating lease liabilities, as determined under Topic 840, for all non-cancellable leases as of December 31, 2021 are as follows:

	<u>Equipment</u>
2023	\$ 750
2024	688
Thereafter	-
	\$ 1,438

In April 2020, the Organization entered into a sublease rental agreement for a portion of its space to a third party through March 2022. Rental payments under the lease total \$500 per month. The tenant has the option to renew the lease for one additional 12 months commencing upon the expiration of the original term. The tenant has exercised the option to renew for one additional year. Future rent revenues are \$1,500 in 2023. On April 1, 2023 the Organization executed a new sublease agreement with the tenant through March 31, 2025. The monthly rent will be \$500 per month.

NOTE 12 RETIREMENT PLAN

The Organization has a 403(b) retirement plan (the "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%. The Organization's contributions to the Plan were \$8,617 and \$7,229 in 2022 and 2021, respectively.

NOTE 13 CONTRIBUTED NONFINANCIAL ASSETS

For the year ended December 31, contributed nonfinancial assets recognized in the statement of activities included:

	<u>2022</u>	<u>2021</u>
Workshop services	\$ -	\$ 600
Program supplies	-	1,546
	\$ -	\$ 2,146

NOTE 14 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 2022 and 2021. The Organization received grants and contributions from National of \$731,850 and \$278,881 in 2022 and 2021, respectively.

GIRLS INCORPORATED® OF GREATER INDIANAPOLIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 15 NET ASSETS

Net assets consist of the following:

	<u>2022</u>	<u>2021</u>
Without donor restrictions:	\$ 1,149,673	\$ 1,856,398
With donor restrictions:		
Purpose restrictions:		
Young Women in Leadership	\$ 3,000	\$ 89,780
Eureka!	81,667	11,363
EmpowerHubs	368,906	335,018
Accelerate	15,833	-
Fiscal sustainability (Lilly Endowment)	127,598	813,621
Scholarships	13,809	16,309
Fundraising	7,875	-
Staffing and benefits	525,000	-
Other	14,296	17,377
Perpetual in nature:		
Lilly Endowment fund	<u>2,250,000</u>	<u>2,250,000</u>
Total with donor restrictions	<u>\$ 3,407,984</u>	<u>\$ 3,533,468</u>