

**GIRLS INC. OF THE PACIFIC NORTHWEST**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2021**



**Girls Incorporated  
of the Pacific Northwest**

**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**GIRLS INC. OF THE PACIFIC NORTHWEST**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2021**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Girls Inc. of the Pacific Northwest  
Portland, Oregon

We have audited the accompanying financial statements of Girls Inc. of the Pacific Northwest (a non-profit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls Inc. of the Pacific Northwest as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

***Report on Summarized Comparative Information***

We have previously audited Girls Inc. of the Pacific Northwest's 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated February 9, 2021 ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Kern & Thompson, LLC*

Portland, Oregon  
April 4, 2022

**GIRLS INC. OF THE PACIFIC NORTHWEST**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2021**

(With Comparative Totals as of June 30, 2020)

**ASSETS**

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 876,118	\$ 720,261
Contracts receivable	23,861	62,578
Grants and contributions receivable	420,947	359,758
Prepaid expenses	37,866	37,803
Property and equipment	852	1,400
<b>Total assets</b>	<b>\$ 1,359,644</b>	<b>\$ 1,181,800</b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 14,759	\$ 14,703
Accrued payroll and related taxes	2,642	41,768
Deferred revenue	-	11,000
Refundable advance - Paycheck Protection Program	420,210	210,105
<b>Total liabilities</b>	<b>437,611</b>	<b>277,576</b>
<b>Net assets</b>		
Without donor restrictions		
Available for operations	231,184	338,703
Board designated reserve	100,000	100,000
Total without donor restrictions	331,184	438,703
With donor restrictions	590,849	465,521
<b>Total net assets</b>	<b>922,033</b>	<b>904,224</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,359,644</b>	<b>\$ 1,181,800</b>

See notes to financial statements.

**GIRLS INC. OF THE PACIFIC NORTHWEST**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2021**

(With Comparative Totals for the Year Ended June 30, 2020)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
			<b>2021</b>	<b>2020</b>
<b>Revenues and support</b>				
Government contracts	\$ 63,327	\$ -	\$ 63,327	\$ 84,222
Foundation grants	36,553	696,500	733,053	685,926
Individual donations	179,848	-	179,848	146,814
Corporate donations	75,759	20,000	95,759	108,667
Program fees	-	-	-	13,417
Special events, net of direct expenses of \$30,841 and \$150,824, respectively	276,073	10,000	286,073	341,022
In-kind contributions	1,044	-	1,044	1,783
Interest income	584	-	584	582
Other income	12,903	-	12,903	11,486
	646,091	726,500	1,372,591	1,393,919
Net assets released from restriction	601,172	(601,172)	-	-
<b>Total revenues and other support</b>	<b>1,247,263</b>	<b>125,328</b>	<b>1,372,591</b>	<b>1,393,919</b>
<b>Expenses</b>				
Program services				
Girls Groups	595,074	-	595,074	721,436
Eureka	202,220	-	202,220	242,244
<b>Total program services</b>	<b>797,294</b>	<b>-</b>	<b>797,294</b>	<b>963,680</b>
Supporting services				
Administration	349,083	-	349,083	206,552
Fundraising	208,405	-	208,405	225,963
<b>Total expenses</b>	<b>1,354,782</b>	<b>-</b>	<b>1,354,782</b>	<b>1,396,195</b>
<b>Change in net assets</b>	<b>(107,519)</b>	<b>125,328</b>	<b>17,809</b>	<b>(2,276)</b>
Net assets, beginning of year	438,703	465,521	904,224	906,500
<b>Net assets, end of year</b>	<b>\$ 331,184</b>	<b>\$ 590,849</b>	<b>\$ 922,033</b>	<b>\$ 904,224</b>

See notes to financial statements.

**GIRLS INC. OF THE PACIFIC NORTHWEST**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2021**

(With Comparative Totals for the Year Ended June 30, 2020)

	PROGRAM SERVICES			SUPPORTING SERVICES		Total	
	Girls Groups	Eureka	Total Program	Adminis- tration	Fund- raising	2021	2020
Wages	\$ 331,447	\$ 130,225	\$ 461,672	\$ 212,194	\$ 112,803	\$ 786,669	\$ 909,158
Payroll taxes	29,343	11,575	40,918	18,356	10,256	69,530	80,808
Employee benefits	52,068	17,411	69,479	14,098	10,958	94,535	94,584
Contractors	47,132	25,892	73,024	53,739	67,794	194,557	87,604
Occupancy	104,885	1,313	106,198	1,773	300	108,271	93,294
Insurance	3,425	1,657	5,082	2,250	-	7,332	5,121
Office supplies	1,202	-	1,202	2,012	1,018	4,232	2,284
Program supplies and snacks	10,689	13,024	23,713	-	-	23,713	27,336
Printing and copying	141	472	613	434	3,213	4,260	6,631
Travel and conference	671	563	1,234	274	-	1,508	26,870
Professional	791	78	869	34,814	47	35,730	36,985
Dues and subscriptions	12,000	-	12,000	-	-	12,000	6,047
Bank and merchant fees	-	-	-	5,367	-	5,367	13,567
Meetings expense	136	-	136	722	-	858	3,755
Bad debt	-	-	-	2,500	2,016	4,516	-
Volunteer expenses	596	10	606	-	-	606	1,330
Depreciation	548	-	548	-	-	548	195
Other	-	-	-	550	-	550	626
	<b>\$ 595,074</b>	<b>\$ 202,220</b>	<b>\$ 797,294</b>	<b>\$ 349,083</b>	<b>\$ 208,405</b>	<b>\$ 1,354,782</b>	<b>\$ 1,396,195</b>

See notes to financial statements.

**GIRLS INC. OF THE PACIFIC NORTHWEST**

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2021**

(With Comparative Totals for the Year Ended June 30, 2020)

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 17,809	\$ (2,276)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	548	195
Changes in assets and liabilities:		
Contracts receivable	34,346	37,195
Grants and contributions receivable	(56,818)	75,824
Prepaid expenses	(63)	19,524
Accounts payable	56	(5,854)
Accrued payroll and related taxes	(39,126)	(5,383)
Deferred revenue	(11,000)	(4,253)
Refundable advances	210,105	210,105
<b>Net cash provided by (used in) operating activities</b>	<b>155,857</b>	<b>325,077</b>
<b>Cash flows from investing activities:</b>		
Purchase of equipment	-	(968)
<b>Net cash provided by (used in) investing activities</b>	<b>-</b>	<b>(968)</b>
<b>Change in cash and cash equivalents</b>	<b>155,857</b>	<b>324,109</b>
Cash and cash equivalents, beginning of year	720,261	396,152
<b>Cash and cash equivalents, end of year</b>	<b>\$ 876,118</b>	<b>\$ 720,261</b>

See notes to financial statements.

## GIRLS INC. OF THE PACIFIC NORTHWEST

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE A – DESCRIPTION OF ORGANIZATION

Girls Inc. of the Pacific Northwest (the Organization) inspires all girls to be strong, smart, and bold, providing girls across the region with life-changing experiences and solutions to the unique challenges girls face. Girls Inc. equips girls to navigate gender, economic, and social barriers and grow up healthy, educated, and independent. Girls build confidence and embrace positive decision-making to take charge of their health and wellbeing, and achieve academic, personal and career goals. Services are funded by grants, contributions, and program fees.

The programs of the Organization are:

**Girls Groups** – Girls Groups served 293 girls in the 2020-2021 program year. Girls Group helps the girls we serve develop the skills and tools they need to lead healthy, academically successful, and independent lives. Each Girls Group is made up of 12-15 girls from no more than two consecutive grades. Groups meet weekly (or daily in the summer) with professionally trained Girls Inc. facilitators for 60-90 minutes over three eight-week terms (one to two weeks in the summer). Each term Girls Groups cover the age-appropriate module of one of our researched, proven curricula, which include but is not limited to the following:

- Allies in Action teaches girls how to overcome relational aggression, or bullying;
- Go Girl Go teaches sports and physical activities;
- Work It Out has girls learning about skills to resolve conflict, make friendships, and become a role model in their community;
- Operation SMART introduces girls to science, math, and technology-related careers;
- Mind and Body & Redefining Beauty teaches girls about healthy body image;
- Time to Invent STEM programming;
- Media Literacy teaches girls to interpret, critically analyze and respond to media messages;
- Leadership and Community Action celebrates the heritage of girls and women as trailblazers and agents of social change. As a result, girls realize their own power as community resources and trustees of the common good.

Currently, Girls Group meets using a hybrid model with groups running virtually and in person with the parameters stated above. Groups meet weekly for 60 minutes over three eight-week terms each school year. Groups are open to 2nd – 8th grade youth from across the Pacific Northwest region. Participants are split into smaller, age-specific breakout rooms in each session. Sessions focus on a variety of age-appropriate components of our strong, smart and bold Girls Inc. curricula. Topics range from how to balance media and screen time, to self-care and time management, art, STEAM, wellness and movement.

**Eureka!®** – The program's delivery model takes place over the course of five years with a continuing cohort of girls throughout grades 8th-12th. Eureka! is a comprehensive, magnate program that serves as a pipeline strategy for equipping at-risk, low-income girls for academic and career success, especially in STEAM (science, technology, engineering, art, and mathematics) fields. Eureka! selects rising 8th grade girls each year and engages them in a summer camp experience; thereafter, youth engage throughout the year with STEAM learning, post-secondary preparation, and career connections. The innovative program connects older girls, many of whom will be first-generation college or university applicants, to programming and mentoring aimed at augmenting and sustaining skills, self-efficacy, and the motivation to continue on to post-secondary options, with a focus on STEAM-related careers.



**GIRLS INC. OF THE PACIFIC NORTHWEST**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2021**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Eureka!® (Continued)** – During this second year of the pandemic, Eureka! served 78 unduplicated girls in fiscal year 2020-2021. Eureka! Programs included a hybrid model, incorporating virtual and in-person programming supplemented by supply kit distributions.

**Leadership Council** - Leadership Council, the youth leadership body of our Organization, served 20 youth in the 2020-21 school year. Comprised of amazing young leaders from communities across the Pacific Northwest ranging in age from 13-18, Leadership Council members help our affiliate understand the needs of young people, and use the power of their voices to create meaningful change within their own communities. Youth serve on Leadership Council for at least one year, focusing and honing skills around leadership, advocacy, and community action. These skills are built through engagement with community partnerships, a variety of experiential learning activities, as well as individual and group advocacy and research projects.

Throughout the season, Leadership Council members follow Girls Inc. National's Taking Action Toolkit and work on individual/small group advocacy projects which focus on a topic that they are passionate about, as a means of leading and facilitating meaningful change in their communities. Some of the topics explored throughout the 20-21 session included: Anti-Asian violence, mental health resources in schools, text banking, and community

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of the Organization have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

**Financial Statement Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**GIRLS INC. OF THE PACIFIC NORTHWEST**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2021**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

Grants and other contributions of cash and other assets are reported as “with donor restrictions” if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to “without donor restriction” and reported in the statement of activities as net assets released from restrictions.

Contributions of donated noncash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals with those skills. Such services would typically need to be purchased if not provided by donation, and are recorded at their fair values in the period received.

**Functional Allocation of Expenses**

The costs of providing the programs and supporting services have been summarized in the statement of activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time, effort, and square-footage usage estimates and other allocation methodology such as direct labor, personnel count, etc.

**Contracts Receivable**

Contracts receivable are uncollateralized and are recorded monthly as the related services are provided and billed. Management periodically assesses the need for an allowance for doubtful accounts based on historical experience and existing conditions affecting probable collection. Receivables are considered impaired if unpaid balances are not received in accordance with the contractual terms. It is the Organization’s policy to charge off uncollectible receivables when management determines the receivables will not be collected. Management has determined that an allowance for doubtful accounts was not necessary as of June 30, 2021.

**Estimates**

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

**Property and Equipment**

Property and equipment over \$500 is recorded at cost when purchased or fair market value when donated. Depreciation is computed on the estimated useful lives of the assets using the straight-line method over estimated useful lives ranging from 5-10 years. Maintenance and repairs are expensed when incurred. Betterments and renewals are capitalized.

**GIRLS INC. OF THE PACIFIC NORTHWEST**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2021

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

**Prior Year Summarized Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by natural expense classification or function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**NOTE C – GRANTS AND CONTRIBUTIONS RECEIVABLE**

Grants receivable consists of unconditional promises to give and are expected to be collected as follows:

Year Ending June 30,	
2022	\$ 225,947
2023	165,000
2024	15,000
2025	15,000
	<u>420,947</u>
	<u>\$ 420,947</u>

**NOTE D – REFUNDABLE ADVANCE (PAYCHECK PROTECTION PROGRAM LOAN)**

In response to the global economic impact caused by the coronavirus pandemic, the US Small Business Administration (SBA) created the Paycheck Protection Program (PPP) "forgivable loan" to assist nonprofit organizations and for-profit enterprises with eligible payroll and certain specified operating costs. The loans are funded by the SBA through participating banks and are subject to specific conditions, which if met, will result in forgiveness of all or part of the loan. The Organization qualified for and received a PPP loan for \$210,105 on April 15, 2020. The Organization qualified for and received a second PPP loan for \$210,105 on January 26, 2021. The first loan was forgiven subsequent to year end on July 22, 2021. The Organization has concluded that although the legal form of the PPP is a loan, both advances are, in substance, conditional grants and have therefore been recorded as a refundable advances under the accounting guidance of ASC 958-605.

In addition, the Organization has a conditional grant from the Portland Children's Levy that should fund programming by \$90,152 and \$77,100 during the years ending June 30, 2022 and 2023, respectively.

**GIRLS INC. OF THE PACIFIC NORTHWEST**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2021

**NOTE E – SIGNIFICANT CONCENTRATIONS OF CREDIT RISK**

The Organization places its cash with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC coverage are not insured. At June 30, 2021, the uninsured cash totaled about \$563,500.

**NOTE F – RETIREMENT PLAN**

The Organization sponsors a SIMPLE IRA retirement plan which covers substantially all employees. The Organization contributes 3% of salaries to the plan after the employee completes one year of service. Retirement plan expense amounted to \$14,532 for the year ended June 30, 2021. Employees may make contributions to the plan up to the maximum allowed by the Internal Revenue Code.

**NOTE G – OPERATING LEASES**

The Organization leases office space in Portland under an agreement that has been extended through July 31, 2022. For the year ended June 30, 2021, total rent expense was \$72,743. The Organization also occasionally rents local space for its programs on a month-to-month basis.

Future minimum rental commitments are as follows:

Year Ending June 30,	Building	Equipment
2022	\$ 55,680	\$ 11,628
2023	4,640	7,752
	\$ 60,320	\$ 19,380

**NOTE H – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of June 30, 2021 represents funding with the following restrictions:

Timing and Purpose - Legacy	\$ 75,034
Timing and Purpose - Girls, Inc. National	75,847
Girls group	439,968
	\$ 590,849

**NOTE I – BOARD DESIGNATED RESERVE**

The board maintains a board designated reserve with a goal of funds totaling three months of operating expenses. The reserve totals \$100,000 as of June 30, 2021.

**GIRLS INC. OF THE PACIFIC NORTHWEST**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2021**

**NOTE J – LIQUIDITY**

The following represents the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2021:

Financial assets at year-end	
Cash and cash equivalents	\$ 876,118
Contracts receivable	23,861
Grants and contributions receivable	<u>420,947</u>
Total financial assets	<u>1,320,926</u>
Less amounts unavailable for use within one year:	
Contractual or donor-imposed restrictions:	
Timing restrictions and receivables due beyond one year	(195,000)
Board-designated reserve	<u>(100,000)</u>
Total unavailable financial assets	<u>(295,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>1,025,926</u></u>

**NOTE K – UNCERTAINTY**

Beginning in March 2020, an outbreak of a coronavirus necessitated that many employees work from home and necessitated social distancing measures. The effects of these events may continue for some time, including disruptions to or restrictions on employees' ability to work and on the ability of program participants to fully participate in programs. This may ultimately affect the Organization's revenue from fees, grants, and contracts. At the present time, the ultimate future effects of these issues are unknown.

**NOTE L – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through April 4, 2022, which is the date the financial statements were available to be issued.