

**GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)**

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Girls Incorporated of Tennessee Valley

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Girls Incorporated of Tennessee Valley, (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2023 and 2022, and 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 Girls Incorporated of Tennessee Valley as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under GAAS are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Girls Incorporated of Tennessee Valley 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 Girls Incorporated of Tennessee Valley's ability to continue as a going concern one year after the date that the financial statements are issued or within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 Girls Incorporated of Tennessee Valley'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 Girls Incorporated of Tennessee Valley'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.

Tarwater & Company, PC

Knoxville, TN
September 27, 2024

GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents, unrestricted	\$ 104,341	\$ 62,994
Contributions, and other receivables	1,515	5,265
Unconditional promise to give - United Way	16,875	101,250
Prepaid expenses	-	11,916
Investments	55,643	91,307
	<hr/>	<hr/>
Total current assets	178,374	272,732
Property and equipment, net		
Land	42,250	62,762
Buildings and improvement	565,152	596,448
Automobiles	27,972	27,972
Furniture and equipment	48,973	48,973
Accumulated depreciation	(363,527)	(348,283)
	<hr/>	<hr/>
Total property and equipment, net	320,820	387,872
	<hr/>	<hr/>
Total assets	<u>\$ 499,194</u>	<u>\$ 660,604</u>
Liabilities and Net Assets		
Liabilities		
Current liabilities		
Line of credit	\$ 60,000	\$ 60,000
Accounts payable	3,467	13,100
Credit cards payable	1,335	689
	<hr/>	<hr/>
Total current liabilities	64,802	73,789
	<hr/>	<hr/>
Total liabilities	64,802	73,789
	<hr/>	<hr/>
Net assets		
Without donor restrictions	417,517	485,565
With donor restrictions	16,875	101,250
	<hr/>	<hr/>
Total net assets	434,392	586,815
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 499,194</u>	<u>\$ 660,604</u>

The accompanying notes are an integral
part of these financial statements

GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Programs and membership	\$ 48,051	\$ -	\$ 48,051
Contributions	193,703	-	193,703
United Way	-	153,619	153,619
Investment income	9,664	-	9,664
Net assets released from restrictions	<u>237,994</u>	<u>(237,994)</u>	<u>-</u>
 Total support and revenue	 489,412	 (84,375)	 405,037
Expenses			
Program services	488,845	-	488,845
General and administrative expenses	41,945	-	41,945
Fundraising	<u>6,925</u>	<u>-</u>	<u>6,925</u>
 Total expenses	 <u>537,715</u>	 <u>-</u>	 <u>537,715</u>
Other changes in net assets			
Loss on sale of assets	<u>(19,745)</u>	<u>-</u>	<u>(19,745)</u>
 Total other changes in net assets	 <u>(19,745)</u>	 <u>-</u>	 <u>(19,745)</u>
 Change in net assets	 (68,048)	 (84,375)	 (152,423)
Net assets, beginning of year	485,565	101,250	586,815
Net assets, end of year	<u><u>\$ 417,517</u></u>	<u><u>\$ 16,875</u></u>	<u><u>\$ 434,392</u></u>

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GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Programs and membership	\$ 54,985	\$ -	\$ 54,985
Contributions	254,682	-	254,682
United Way	-	183,913	183,913
Investment loss	(16,119)	-	(16,119)
Net assets released from restrictions	<u>99,636</u>	<u>(99,636)</u>	<u>-</u>
 Total support and revenue	 393,184	 84,277	 477,461
Expenses			
Program services	495,820	-	495,820
General and administrative expenses	48,051	-	48,051
Fundraising	<u>7,419</u>	<u>-</u>	<u>7,419</u>
 Total expenses	 <u>551,290</u>	 <u>-</u>	 <u>551,290</u>
 Change in net assets	 (158,106)	 84,277	 (73,829)
 Net assets, beginning of year	 643,671	 16,973	 660,644
 Net assets, end of year	 <u>\$ 485,565</u>	 <u>\$ 101,250</u>	 <u>\$ 586,815</u>

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GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services	General and Administrative	Fundraising	Total Expenses
Expenses				
Salaries and related expenses	\$ 267,938	\$ 30,448	\$ 6,090	\$ 304,476
Payroll taxes	20,177	2,293	459	22,929
Employee benefits	16,535	1,879	376	18,790
Program expenses	79,049	-	-	79,049
Insurance	10,728	1,192	-	11,920
Dues and fees	7,744	861	-	8,605
Office expenses and supplies	12,836	1,426	-	14,262
Professional fees	16,644	1,849	-	18,493
Interest expenses	4,974	553	-	5,527
Maintenance and repairs	3,262	-	-	3,262
Utilities	3,463	385	-	3,848
Telephone, internet and security	4,862	256	-	5,118
Transportation expense	6,125	-	-	6,125
Supplies	10,609	-	-	10,609
Promotion and appreciation	804	89	-	893
Depreciation	23,095	714	-	23,809
 Total expenses	 <u>\$ 488,845</u>	 <u>\$ 41,945</u>	 <u>\$ 6,925</u>	 <u>\$ 537,715</u>

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GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services	General and Administrative	Fundraising	Total Expenses
Expenses				
Salaries and related expenses	\$ 292,315	\$ 33,218	\$ 6,644	\$ 332,177
Payroll taxes	23,235	2,640	528	26,403
Employee benefits	10,848	1,233	247	12,328
Program expenses	72,988	-	-	72,988
Insurance	8,108	901	-	9,009
Dues and fees	9,765	1,085	-	10,850
Office expenses and supplies	13,854	1,539	-	15,393
Professional fees	9,958	1,106	-	11,064
Maintenance and repairs	6,955	-	-	6,955
Conference and meetings	-	4,291	-	4,291
Utilities	6,507	723	-	7,230
Telephone, internet and security	5,334	281	-	5,615
Transportation expense	6,937	-	-	6,937
Supplies	3,075	-	-	3,075
Promotion and appreciation	2,891	321	-	3,212
Depreciation	23,050	713	-	23,763
 Total expenses	 <u>\$ 495,820</u>	 <u>\$ 48,051</u>	 <u>\$ 7,419</u>	 <u>\$ 551,290</u>

The accompanying notes are an integral
part of these financial statements

GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flow from operating activities		
Change in net assets	\$ (152,423)	\$ (73,829)
Adjustments to reconcile increase (decrease) in net assets to cash flows from operating activities		
Depreciation	23,809	23,763
(Gain) loss on sale of assets	19,745	-
Unrealized (gain) loss on investments	6,544	15,757
Decrease (increase) in receivables	3,750	11,677
Decrease (increase) in unconditional promises to give	84,375	(71,250)
Decrease (increase) in prepaid expenses	11,916	(8,218)
Increase (decrease) in accounts payable	(8,987)	2,307
Net cash used in operating activities	<u>(11,271)</u>	<u>(99,793)</u>
Cash flow from investing activities		
Proceeds from investments	29,120	-
Purchase of property and equipment	-	(23,229)
Proceeds from disposal of assets	23,498	-
Net cash provided by (used in) investing activities	<u>52,618</u>	<u>(23,229)</u>
Cash flow from financing activities		
Proceeds from line of credit	-	60,000
Net cash provided by financing activities	<u>-</u>	<u>60,000</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	41,347	(63,022)
Beginning of period cash, cash equivalents and restricted cash	62,994	126,016
End of period cash, cash equivalents and restricted cash	<u>\$ 104,341</u>	<u>\$ 62,994</u>
Supplemental disclosures:		
Interest paid	\$ 5,527	\$ -
Decrease in fair value of investments	\$ (35,664)	\$ (15,757)

The accompanying notes are an integral
part of these financial statements

**GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS**

1. NATURE OF ORGANIZATION AND OPERATIONS

Girls Incorporated of Tennessee Valley (the Organization) is a not-for-profit organization incorporated under the laws of the state of Tennessee to provide various enrichment programs, sports programs, and summer camps for girls ages five to 18. These services are provided mainly to the communities of Anderson, Roane, and Knox counties in Tennessee.

The Organization is an affiliate of Girls Incorporated, a national organization, whose mission is to help and inspire young girls to be strong, smart, and bold.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

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 amount of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted investment instruments purchased with original maturities of three months or less to be cash equivalents.

Prepaid Expenses

Prepaid expenses consists of deposits paid for future fundraising event locations.

Investments

The Organization classifies its investments as available-for-sale, and they are carried at fair value. Fair values are determined based on unadjusted quoted prices in active markets for identical assets. Realized gains and losses determined using the average cost method are included in earnings. Unrealized gains and losses based on the difference between cost and fair value are reported as a component of investment income on the statement of activities.

**GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

Land, building, and equipment are recorded at cost, if contributed, at the approximate fair value. Depreciation is provided for in amounts sufficient to relate the cost of the depreciable assets to operations over the estimated service lives. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Contributions of property and equipment are reported as unrestricted support unless the donor has restricted the contributed asset to a specific purpose. Improvements above the Organization's capitalization threshold of \$5,000 are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Estimated service lives are as follows:

	<u>Estimated Life</u>	<u>Method</u>
Building and Improvements	10 – 40 years	Straight-line
Automobiles	5 - 6 years	Straight-line
Furniture, fixtures and equipment	5 - 10 years	Straight-line

Impairment of Long-Lived Assets

The Organization reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. There were no impairment losses recognized for the years ended December 31, 2023 and 2022.

Fair Value of Financial Instruments

Cash, accounts receivable, and accounts payable are reflected in the financial statements at cost, which approximates fair value because of the short-term maturity of those instruments.

**GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Grants, public and private donations, and memberships are recognized upon receipt. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. However, such discounts were not material and have not been recorded in the financial statements. All unconditional promises to give on the statement of financial position are expected to be collected in one year or under. Conditional promises to give are not included as support until such time as the conditions are substantially met. All donor-restricted pledges are reported as increases in net assets with donor restrictions. When a restriction expires (i.e. when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as "net assets released from restrictions."

Advertising

The Organization expenses advertising costs as incurred. For the years ended December 31, 2023 and 2022, advertising costs totaled \$893 and \$3,212, respectively.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received. The contribution of services is recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Many individuals volunteer their time and perform a variety of tasks that assist the Organization. No amounts have been reflected in the financial statements for these donated services because the volunteers' time does not meet the criteria for recognition.

Income Taxes

The Organization is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, the Organization is not taxed on income derived from its exempt functions. However, the Organization is subject to tax on unrelated business income. For the years ended December 31, 2023 and 2022, the Organization had no unrelated business income.

The Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on an evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the years ended December 31, 2023 and 2022.

**GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Taxes

As of December 31, 2023 and 2022, the Organization has accrued no interest and no penalties related to uncertain tax positions. It is the Organization's policy to recognize interest and penalties related to income tax matters in income tax expense on the statement of activities.

Functional Classification of Expenses

The Organization incurs costs and expenses related to its program services and supporting activities, such as fundraising and management. Expenses that are directly related to, and can be assigned to, program services or a single supporting activity are charged directly to such function. Expenses that are related to more than one function are allocated among the appropriate functions. The most significant of the Organization's joint costs are costs associated with salaries and related expenses. The Organization allocates these joint costs primarily using proportional methods based on the programs and supporting services benefited.

3. FAIR VALUE MEASUREMENTS

ASC 820-10, *Fair Value Measurements*, provides a framework for measuring fair value. Where quoted market prices are available in active markets, securities are classified in Level 1 of the valuation hierarchy. Level 1 securities include exchange-traded securities and mutual funds for which there are quoted prices in active markets. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities are typically valued based on quoted prices of similar assets, quoted prices for identical assets in inactive markets, inputs other than quoted prices that are observable for the asset, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 securities reflect the Organization's own assumptions in pricing the asset based on the best information available. The Organization's Level 3 assets are valued based on cost, which includes contributions less return of capital of the related investments. The Organization believes this to be the best estimate of fair value. In accordance with the fair value hierarchy, the following table presents the fair value of those assets and liabilities required to be measured on a recurring basis as of December 31, 2023 and 2022:

**GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS**

3. FAIR VALUE MEASUREMENTS

December 31, 2023	Total Fair Value	Level 1	Level 2	Level 3
Mutual Funds	\$ 45,996	\$ 45,996	\$ -	\$ -
Stocks	8,464	8,464	-	-
Cash and cash equivalents	1,183	1,183	-	-
	<u>\$ 55,643</u>	<u>\$ 55,643</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2022	Total Fair Value	Level 1	Level 2	Level 3
Mutual Funds	\$ 72,373	\$ 72,373	\$ -	\$ -
ETF's	7,886	7,886	-	-
Stocks	9,291	9,291	-	-
Cash and cash equivalents	1,757	1,757	-	-
	<u>\$ 91,307</u>	<u>\$ 91,307</u>	<u>\$ -</u>	<u>\$ -</u>

4. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has \$178,374 of financial assets available within one year of the statement of financial position date consisting of cash of \$104,341, receivables of \$18,390, and investments of \$55,643. Receivables in the amount of \$16,875 are restricted by United Way. None of the remaining financial assets in the amount of \$161,499 are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets to meet six months of normal management and general expenses. The Organization manages liquidity needed for operations primarily through budgeted monthly inflows and outflows. Cash inflows can be easily predicted since they are comprised mostly of awards and promises to give. Cash outflows are planned accordingly so as not to exceed those expected inflows. A minimal amount of excess cash is on hand in the event of unexpected outflows.

5. INVESTMENTS

Investment securities are stated at fair value based on quoted market or market prices for similar securities. Unrealized gains and losses are recognized based on the change in fair value and are reported as a component of investment income. Realized gains and losses are recognized using the average cost method and are reported as a component of investment income. Reinvested interest and dividends are reported as a component of investment income. In addition, external and direct internal expenses relating to investment activities have been netted against investment income. Investments include certain cash and cash equivalents intended for long-term investing, and allocation of additional cash and cash equivalents intended for long-term investing is included as purchases of investments on the statement of cash flows.

**GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS**

5. INVESTMENTS

Investments as of December 31, 2023 are as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>
Mutual Funds	\$ 45,996	\$ 52,244	\$ (6,248)
Stocks	8,464	8,760	(296)
Cash and cash equivalents	1,183	1,183	-
	<u>\$ 55,643</u>	<u>\$ 62,187</u>	<u>\$ (6,544)</u>

Investments as of December 31, 2022 are as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>
Mutual Funds	\$ 72,373	\$ 93,291	\$ (20,918)
ETF's	7,886	10,232	(2,346)
Stocks	9,291	4,500	4,791
Cash and cash equivalents	1,757	1,757	-
	<u>\$ 91,307</u>	<u>\$ 109,780</u>	<u>\$ (18,473)</u>

6. LINE OF CREDIT

The Organization has a \$100,000 line of credit with TNBank secured by a deed to trust on commercial property located at 1798 Oak Ridge Turnpike. The line of credit bears interest at a variable rate of 0.5% above the Prime Rate as published by the Wall Street Journal per annum with a minimum annual rate of 4.5% and a maximum annual rate of 18.0%. The line of credit matures on February 10, 2025. As of December 31, 2023 and 2022, there was \$60,000 and \$60,000, respectively, drawn against this line of credit. Interest expensed and outstanding for the years ended December 31, 2023 and 2022, was \$5,527 and \$0, respectively.

7. NET ASSETS

Net Assets Without Donor Restrictions

Net assets without donor restrictions are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenditures are reported in the without donor restrictions class of net assets, including expenditures funded by restricted contributions. Expenditures funded by restricted contributions are reported in the without donor restrictions net asset class because the use of restricted contributions in accordance with donor's stipulations results in the release of such restrictions.

**GIRLS INCORPORATED OF TENNESSEE VALLEY
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS**

7. NET ASSETS

Net Assets With Donor Restrictions

Net assets with donor restrictions are limited as to use by donor-imposed stipulations that may expire with the passage of time or that may be satisfied by action of the Organization. Net assets with donor restrictions are designated by donors for specific purposes. Net assets with donor restrictions consist of support restricted for the following programs at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
United Way	\$ 16,875	\$ 101,250

8. PENSION PLAN

The Organization sponsors a 403(B) pension plan covering two former employees as of December 31, 2015. The Organization made no contributions to the plan for the years ending December 31, 2023 and 2022.

9. SUBSEQUENT EVENTS

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated activity through September 27, 2024, the date the financial statements were available to be issued, and concluded that no subsequent events, other than the following, have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

10. CONCENTRATIONS

Economic Concentrations

Girls Incorporated of Tennessee Valley received approximately 40% and 37% of its total funding from United Way for the years ending December 31, 2023 and 2022, respectively. A reduction of funds by the United Way would have a significant effect upon future operations.

Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.