



## **of Fort Smith**

**Girls Incorporated of Fort Smith**

**Financial Statements  
December 31, 2024 and 2023**

**(With Independent Auditor's Report Thereon)**

# Girls Incorporated of Fort Smith

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
**Girls Incorporated of Fort Smith**  
Fort Smith, Arkansas

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of **Girls Incorporated of Fort Smith** (the Organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 the Organization as of December 31, 2024 and 2023, 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 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 one year after the date that the financial statements are issued.

***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. 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 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.

A handwritten signature in black ink that reads "Landmark PLC". The signature is written in a cursive, flowing style.

Fort Smith, Arkansas  
September 19, 2025

# Girls Incorporated of Fort Smith

## Statements of Financial Position December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash		
Operating	\$ 36,431	\$ 47,111
Credit card account	34,094	72,004
<b>Total Current Assets</b>	<u>70,525</u>	<u>119,115</u>
<b>PROPERTY AND EQUIPMENT</b>		
Buildings and improvements	1,223,288	1,204,018
Furniture, fixtures, and equipment	57,741	58,493
Playground equipment	68,105	68,105
Automotive equipment	183,619	189,451
	<u>1,532,753</u>	<u>1,520,067</u>
Less accumulated depreciation	809,088	771,958
	<u>723,665</u>	<u>748,109</u>
<b>OTHER ASSETS</b>		
Board designated and with donor restrictions		
Cash and cash equivalents	310,489	300,358
Investments	983,474	884,805
	<u>1,293,963</u>	<u>1,185,163</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,088,153</u></u>	<u><u>\$ 2,052,387</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Wages payable	\$ 11,873	\$ 11,529
<b>Total Current Liabilities</b>	<u>11,873</u>	<u>11,529</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,863,626	1,722,424
With donor restrictions	212,654	318,434
<b>Total Net Assets</b>	<u>2,076,280</u>	<u>2,040,858</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,088,153</u></u>	<u><u>\$ 2,052,387</u></u>

See accompanying notes to financial statements.

# Girls Incorporated of Fort Smith

## Statement of Activities Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>			
United Way of Fort Smith Area	\$ 104,500	\$ -	\$ 104,500
Contributions and grants	145,762	26,560	172,322
Allocations from Endowment Fund	54,814	-	54,814
Scholarship contributions	-	31,406	31,406
Membership fees	20,424	-	20,424
Concession sales	27,250	-	27,250
Program and sports fees	74,081	-	74,081
Gate receipts	25,778	-	25,778
Program and sports sponsorship	6,790	-	6,790
Fundraising events	95,353	-	95,353
Miscellaneous income	71	-	71
Net assets released from restrictions:			
Purpose restrictions satisfied	163,746	(163,746)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<b>718,569</b>	<b>(105,780)</b>	<b>612,789</b>
<b>EXPENSES</b>			
Program services	450,386	-	450,386
Management and general	149,570	-	149,570
Fundraising	93,934	-	93,934
<b>TOTAL EXPENSES</b>	<b>693,890</b>	<b>-</b>	<b>693,890</b>
<b>GAINS AND OTHER SUPPORT</b>			
Interest, dividends, and realized gains (losses)	78,423	-	78,423
Unrealized gains on investments	37,100	-	37,100
Gain on sale of property and equipment	1,000	-	1,000
<b>TOTAL GAINS AND OTHER SUPPORT</b>	<b>116,523</b>	<b>-</b>	<b>116,523</b>
<b>CHANGE IN NET ASSETS</b>	<b>141,202</b>	<b>(105,780)</b>	<b>35,422</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,722,424</b>	<b>318,434</b>	<b>2,040,858</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,863,626</b>	<b>\$ 212,654</b>	<b>\$ 2,076,280</b>

See accompanying notes to financial statements.

# Girls Incorporated of Fort Smith

## Statement of Activities Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>			
United Way of Fort Smith Area	\$ 104,000	\$ -	\$ 104,000
Contributions and grants	149,966	27,192	177,158
Allocations from Endowment Fund	24,000	-	24,000
Scholarship contributions	-	29,460	29,460
Membership fees	18,826	-	18,826
Concession sales	25,905	-	25,905
Program and sports fees	64,740	-	64,740
Gate receipts	25,745	-	25,745
Program and sports sponsorship	7,530	-	7,530
Fundraising events	56,563	-	56,563
Miscellaneous income	400	-	400
Net assets released from restrictions:			
Purpose restrictions satisfied	78,111	(78,111)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<u>555,786</u>	<u>(21,459)</u>	<u>534,327</u>
<b>EXPENSES</b>			
Program services	358,056	-	358,056
Management and general	132,588	-	132,588
Fundraising	57,353	-	57,353
<b>TOTAL EXPENSES</b>	<u>547,997</u>	<u>-</u>	<u>547,997</u>
<b>GAINS (LOSSES) AND OTHER SUPPORT</b>			
Interest, dividends, and realized gains	(75,844)	-	(75,844)
Unrealized gains on investments	167,603	-	167,603
Gain on sale of property and equipment	8,000	-	8,000
<b>TOTAL GAINS (LOSSES) AND OTHER SUPPORT</b>	<u>99,759</u>	<u>-</u>	<u>99,759</u>
<b>CHANGE IN NET ASSETS</b>	107,548	(21,459)	86,089
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,614,876</u>	<u>339,893</u>	<u>1,954,769</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,722,424</u>	<u>\$ 318,434</u>	<u>\$ 2,040,858</u>

See accompanying notes to financial statements.

# Girls Incorporated of Fort Smith

## Statement of Functional Expenses Year ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
<b>COMPENSATION AND RELATED EXPENSES</b>				
Compensation	\$ 123,689	\$ 86,583	\$ 37,107	\$ 247,379
Payroll taxes	12,434	8,704	3,730	24,868
Employee benefits	12,174	8,523	3,653	24,350
<b>TOTAL COMPENSATION AND RELATED EXPENSES</b>	<b>148,297</b>	<b>103,810</b>	<b>44,490</b>	<b>296,597</b>
<b>OCCUPANCY</b>				
Utilities	14,081	6,035	-	20,116
Telephone	1,799	1,620	180	3,599
Repairs and maintenance	18,785	-	-	18,785
<b>TOTAL OCCUPANCY</b>	<b>34,665</b>	<b>7,655</b>	<b>180</b>	<b>42,500</b>
<b>ADMINISTRATION</b>				
Accounting	-	13,465	-	13,465
Advertising	4,509	-	1,503	6,012
Automobile expenses	14,887	-	-	14,887
Bank charges	-	11,853	-	11,853
Concession expenses	10,645	-	-	10,645
Contract labor	11,314	-	-	11,314
Dues and subscriptions	3,386	1,694	1,694	6,774
Fundraising expenses	-	-	42,917	42,917
Insurance	35,602	3,956	-	39,558
Miscellaneous	796	796	-	1,592
Office supplies	2,858	1,447	1,447	5,752
Printing and postage	552	138	691	1,381
Scholarship expenses	35,814	-	-	35,814
Special program and athletic expenses	64,378	-	-	64,378
Travel	5,058	4,047	1,012	10,117
<b>TOTAL ADMINISTRATION</b>	<b>189,799</b>	<b>37,396</b>	<b>49,264</b>	<b>276,459</b>
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>372,761</b>	<b>148,861</b>	<b>93,934</b>	<b>615,556</b>
Depreciation	77,625	709	-	78,334
<b>TOTAL EXPENSES</b>	<b>\$ 450,386</b>	<b>\$ 149,570</b>	<b>\$ 93,934</b>	<b>\$ 693,890</b>

See accompanying notes to financial statements.



# Girls Incorporated of Fort Smith

## Statement of Functional Expenses Year ended December 31, 2023

	Program Services	Management and General	Fundraising	Total
<b>COMPENSATION AND RELATED EXPENSES</b>				
Compensation	\$ 110,196	\$ 77,138	\$ 33,059	\$ 220,393
Payroll taxes	10,724	7,506	3,217	21,447
Employee benefits	11,344	7,941	3,403	22,688
<b>TOTAL COMPENSATION AND RELATED EXPENSES</b>	<b>132,264</b>	<b>92,585</b>	<b>39,679</b>	<b>264,528</b>
<b>OCCUPANCY</b>				
Utilities	15,732	6,743	-	22,475
Telephone	1,594	1,436	160	3,190
Repairs and maintenance	9,352	-	-	9,352
<b>TOTAL OCCUPANCY</b>	<b>26,678</b>	<b>8,179</b>	<b>160</b>	<b>35,017</b>
<b>ADMINISTRATION</b>				
Accounting	-	9,000	-	9,000
Advertising	1,306	-	435	1,741
Automobile expenses	9,880	-	-	9,880
Bank charges	-	9,258	-	9,258
Concession expenses	9,121	-	-	9,121
Contract labor	11,314	-	-	11,314
Dues and subscriptions	3,837	1,919	1,919	7,675
Fundraising expenses	-	-	12,785	12,785
Insurance	24,407	2,712	-	27,119
Miscellaneous	1,424	1,424	-	2,848
Office supplies	2,293	1,146	1,146	4,585
Printing and postage	409	103	513	1,025
Scholarship expenses	25,961	-	-	25,961
Special program and athletic expenses	45,855	-	-	45,855
Supplies	10	-	-	10
Travel	3,578	2,862	716	7,156
<b>TOTAL ADMINISTRATION</b>	<b>139,395</b>	<b>28,424</b>	<b>17,514</b>	<b>185,333</b>
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>298,337</b>	<b>129,188</b>	<b>57,353</b>	<b>484,878</b>
Depreciation	59,719	3,400	-	63,119
<b>TOTAL EXPENSES</b>	<b>\$ 358,056</b>	<b>\$ 132,588</b>	<b>\$ 57,353</b>	<b>\$ 547,997</b>

See accompanying notes to financial statements.

# Girls Incorporated of Fort Smith

## Statements of Cash Flows Years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 35,422	\$ 86,089
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	78,334	63,119
Net realized (gain) loss on investments	(27,545)	124,380
Net unrealized (gain) on investments	(37,100)	(167,603)
Gain on sale of property and equipment	(1,000)	(8,000)
Change in:		
Wages payable	344	3,636
<b>Total adjustments</b>	<u>13,033</u>	<u>15,532</u>
<b>Net Cash From Operating Activities</b>	<u>48,455</u>	<u>101,621</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(53,890)	(114,904)
Proceeds from sale of property and equipment	1,000	8,000
Proceeds from sale of investments	153,436	1,016,276
Purchases of investments	<u>(187,460)</u>	<u>(961,331)</u>
<b>Net Cash (Used For) Investing Activities</b>	<u>(86,914)</u>	<u>(51,959)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(38,459)	49,662
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>419,473</u>	<u>369,811</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 381,014</u></u>	<u><u>\$ 419,473</u></u>
Reconciliation of cash and cash equivalents reported within Statements of Financial Position that sum to the total of the same such amounts in the Statements of Cash Flows:		
Cash	\$ 70,525	\$ 119,115
Cash and cash equivalents	<u>310,489</u>	<u>300,358</u>
	<u><u>\$ 381,014</u></u>	<u><u>\$ 419,473</u></u>

See accompanying notes to financial statements.

# Girls Incorporated of Fort Smith

## Notes to Financial Statements December 31, 2024 and 2023

### **NOTE 1: NATURE OF BUSINESS**

Girls Incorporated of Fort Smith (the Organization) is a nonprofit corporation formed under the laws of the State of Arkansas. The Organization was established to provide, on a nondiscriminatory basis, athletic, educational and other related activities for girls in and around the greater Fort Smith, Arkansas area.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The Organization's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Revenues are recognized, net of sales tax, in the period in which they are earned. Expenses are recognized in the period in which they are incurred. In addition to contributions and grants, revenues of the Organization consist of membership and program fees received from the participants of the various activities provided by the Organization.

#### **Basis of Presentation**

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Codification Topic *Not-for-Profit Entities*. Under this Codification Topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

#### **Use of Estimates**

The preparation of financial statements in conformity with GAAP 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, the Organization considers cash equivalents to be all short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. At December 31, 2024 and 2023, the Organization had \$310,489 and \$300,358, respectively, of assets that were considered to be cash equivalents.

#### **Promises to Give**

Pledges receivable and unconditional promises to give that are to be received in less than one year are recorded at face value because of their short maturity. The value of pledges receivable and unconditional promises to give to be received in more than one year are estimated based on future cash flows discounted at the applicable year end rate. There were no pledges receivable or unconditional promises to give at December 31, 2024 and 2023.

# Girls Incorporated of Fort Smith

## Notes to Financial Statements December 31, 2024 and 2023

### Investments

Investments of the Organization are carried in brokerage accounts. Investments are reported 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. A portion of the investments are donor restricted and board designated for outreach projects.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

### Property and Equipment

With the exception of donated assets, property and equipment is stated at cost. Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the assets, which range from five to forty years. As of December 31, 2024 and 2023, the Organization had fully depreciated assets still in use of approximately \$188,000 and \$229,000, respectively.

It is the Organization's policy to capitalize all asset purchases greater than \$500 with an estimated useful life of more than one year and expense all asset purchases under \$500.

### Long-Lived Assets

In accordance with FASB Codification Topic *Property, Plant and Equipment*, Section *Subsequent Measurement*, the Organization reviews long-lived assets held and used by the Organization for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The application of this Codification has not materially affected the Organization's changes in net assets, financial condition, and cash flows.

### Revenue Recognition

Revenues disaggregated by type are depicted on the Statements of Activities at December 31, 2024 and 2023. Revenues derived from concession sales are recognized as the goods are delivered to the purchaser. Fees for membership, program and sports, gate receipts, program and sports sponsorship, and fundraising are recognized when the performance obligation of providing the event, the space for the event, or the respective activities are held.

### Net Assets and Contribution Revenue

Gifts of cash and other assets are recorded as net assets with or without donor restrictions, depending on the absence or existence and nature of any donor restrictions. Contributions are presented as restricted support 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, the net assets are reclassified as net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Contributions with donor restrictions are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

# Girls Incorporated of Fort Smith

## Notes to Financial Statements December 31, 2024 and 2023

Gifts of land, buildings, and equipment are presented as support and revenue without restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. The Organization receives donated financial assets in the form of stock certificates. Donated stock is converted into cash nearly immediately upon receipt and as such is treated as cash on the Statements of Cash Flows.

Contributed services which increase non-financial assets such as property or inventory, as well as services contributed by individuals with specialized skill which would have otherwise been purchased, are reported as support without donor restrictions. Other contributed services that enhance the Organization's programs but are not so essential that they would otherwise be purchased, are not recorded as support. Unpaid volunteers have made contributions of their time in conjunction with the Organization's programs and services. The value of these contributions is not included in these financial statements, since the volunteers' time does not meet the criteria for recognition.

The Organization recognizes contributions received and made, including pledges receivable, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met.

### **Advertising**

The Organization follows the policy of charging advertising to expense as incurred.

### **Functional Allocation of Expenses**

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated primarily based on payroll allocations or other applicable estimates as appropriate.

### **Income Taxes and Uncertain Tax Positions**

The Organization qualifies as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar state statute and is not subject to tax at the entity level for Federal and state income tax purposes. The Organization accounts for uncertain tax positions in accordance with the provisions of FASB Codification Topic *Income Taxes*. FASB Codification Topic *Income Taxes* clarifies the accounting for uncertainty in income taxes and requires the Organization to recognize in their financial statements the impact of a tax position taken or expected to be taken in a tax return, if that position is more likely than not to be sustained under audit, based on the technical merits of the position. Management has assessed the tax positions of the Organization and determined that no positions exist that require adjustment or disclosure under the provisions of FASB Codification Topic *Income Taxes*.

# Girls Incorporated of Fort Smith

## Notes to Financial Statements December 31, 2024 and 2023

The Organization files informational “Return of Organization Exempt from Income Tax” (Form 990) in the U.S. federal jurisdiction and reports to Arkansas.

### NOTE 3: FINANCIAL INSTRUMENTS WITH RISK OF ACCOUNTING LOSS

The Organization uses financial institutions and brokerage firms in which it maintains cash and investments, which at times may exceed federally insured limits (either FDIC or SIPC). The Organization has not experienced any losses in such accounts, and management believes it is not exposed to significant credit risk related to cash. As of December 31, 2024, the Organization had no uninsured cash balances. The Organization’s investment balances are subject to market risk and could decline or lose value.

### NOTE 4: INVESTMENTS AND FAIR VALUE MEASUREMENT

Fair values and unrealized appreciation at December 31, 2024 are summarized as follows:

	<b>Book Value</b>	<b>Fair Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
Equities	\$ 561,042	\$ 650,047	\$ 89,005
Fixed income	337,743	333,427	(4,316)
	<u>\$ 898,785</u>	<u>\$ 983,474</u>	<u>\$ 84,689</u>

Fair values and unrealized appreciation at December 31, 2023 are summarized as follows:

	<b>Book Value</b>	<b>Fair Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
Equities	\$ 533,944	\$ 576,937	\$ 42,993
Fixed income	303,272	307,868	4,596
	<u>\$ 837,216</u>	<u>\$ 884,805</u>	<u>\$ 47,589</u>

FASB Codification Topic *Fair Value Measurements and Disclosures*, established a fair valuation hierarchy to increase consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Investments recorded in the Statements of Financial Position based on the inputs to valuation techniques are as follows:

Level 1 – These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access. The Organization holds fixed income and equity securities which are considered to be Level 1 and are valued at the closing price reported on the active market on which the individual securities are traded.

# Girls Incorporated of Fort Smith

## Notes to Financial Statements December 31, 2024 and 2023

Level 2 – These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3 – These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments.

As a general principle, the current “fair market value” of a security or other asset is the amount that a fund might reasonably expect to (i) receive upon the sale of the security or asset; or (ii) pay to transfer the liability associated with the security or asset in an orderly transaction between market participants on the date on which the security or asset is being valued. In the event that a Level 1 price is not readily available for a given type of security or asset, the fair value of the security or other asset is determined by using pricing inputs that are either directly or indirectly observable on the valuation date for the security or asset, which may include the use of models or valuation methodologies (a Level 2 price).

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

At December 31, 2024 and 2023, the Organization’s investments in fixed income and equity securities were all considered to be Level 1. The Organization did not have any investments that were considered to be Level 2 or Level 3.

### **NOTE 5: NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2024 and 2023, net assets with donor restrictions were as follows:

	<u>2024</u>	<u>2023</u>
<b>Purpose Restrictions:</b>		
Amounts held for future scholarships	\$ 56,688	\$ 55,000
Amounts held for outreach program	98,000	162,782
Grants received for programs and improvements	<u>57,966</u>	<u>100,652</u>
<b>Total Purpose Restrictions</b>	<u>\$ 212,654</u>	<u>\$ 318,434</u>

### **NOTE 6: BOARD DESIGNATED FUNDS**

At December 31, 2024 and 2023, funds designated by the Board of Directors for outreach programs and program or specific long-term costs for maintaining and improving the existing facility amounted to \$1,081,309 and \$866,729, respectively.

# Girls Incorporated of Fort Smith

## Notes to Financial Statements December 31, 2024 and 2023

### **NOTE 7: CONCENTRATION OF CREDIT RISK**

For the years ended December 31, 2024 and 2023, approximately 17% and 19%, respectively, of the Organization's support was received from the United Way of Fort Smith Area.

### **NOTE 8: RELATED PARTY**

The Fort Smith Girls Club Endowment (Endowment Fund) is a separate trust fund formed in 1971 to provide additional funding to the Organization as needed. The Organization does not have access to or control of these funds but receives an allocation each year to support its operations. For each of the years ended December 31, 2024 and 2023, the Organization received an income allocation of \$54,814 and \$24,000, respectively, which is recorded as Allocations from Endowment Fund in the Statements of Activities.

### **NOTE 9: EMPLOYEE BENEFIT PLANS**

The Organization enacted a Simple IRA plan in 2016 that allows contributions by full time exempt employees who are reasonably expected to receive at least \$5,000 in compensation for the calendar year. The Organization matches 100% of the first 3% of employees' contributions. For the years ended December 31, 2024 and 2023, contributions to the plan totaled \$5,146 and \$4,853, respectively.

### **NOTE 10: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statements of Financial Position date, are as follows:

	<u>2024</u>	<u>2023</u>
Cash	\$ 70,525	\$ 119,115
Cash and cash equivalents – board designated	<u>97,835</u>	<u>56,688</u>
	<u>\$ 168,360</u>	<u>\$ 175,803</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization manages its liquidity following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that any long-term commitments and obligations will continue to be met.



# Girls Incorporated of Fort Smith

## Notes to Financial Statements December 31, 2024 and 2023

### ***NOTE 11: SUBSEQUENT EVENTS***

Management has evaluated subsequent events through September 19, 2025, the date that the financial statements were available to be issued.

The Organization was named a beneficiary of a trust during a prior year and in May 2022, the Organization signed an approval of accounts and distribution agreement. The amount to be received from the trust and the timing of receipt is still unknown but the Organization expects to receive the funds sometime during 2025.

During 2025, the Organization received funds of \$50,000 from a donor for general operations. Additionally, the Organization purchased new bleachers and removed the older ones.

The Organization is in the process of replacing two air conditioning units for the gym. The estimated cost for the units is approximately \$63,500.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) created a refundable payroll tax credit, the Employee Retention Credit (ERC), for eligible employers who paid qualified wages to employees during the pandemic. To be eligible for the ERC, the employer's operations must have experienced a full or partial suspension due to governmental order or a significant decline in gross receipts. In January 2024, the Organization filed for payroll refunds of approximately \$64,000 under the ERC program related to payroll incurred during the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2021. In August 2025, the Organization received these ERC refund claims plus interest of approximately \$12,000.