



FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

March 31, 2013 and 2012

GIRLS INCORPORATED

CONTENTS

	Page
Independent Auditors' Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-21

Independent Auditors' Report

Board of Directors
Girls Incorporated

We have audited the accompanying financial statements of Girls Incorporated, which comprise the statements of financial position as of March 31, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls Incorporated as of March 31, 2013 and 2012, 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.

Katz, Saggw? Miller, LLP

Indianapolis, Indiana
July 18, 2013

GIRLS INCORPORATED
STATEMENTS OF FINANCIAL POSITION
March 31, 2013 and 2012

ASSETS

	2013	2012
ASSETS		
Cash and equivalents	\$ 3,281,734	\$ 2,287,077
Accrued investment income	6,575	12,002
Dues and other receivables, net	35,451	26,910
Grants, contracts and contributions receivables, net	3,380,934	4,281,541
Prepaid expenses and other	99,904	73,629
Cash and equivalents - endowment	416,225	359,452
Investments - endowment	2,717,424	1,677,931
Property and equipment, net	1,730,506	1,734,545
Funds held by trustees	<u>10,856,154</u>	<u>10,653,030</u>
TOTAL ASSETS	<u><u>\$ 22,524,907</u></u>	<u><u>\$ 21,106,117</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 587,845	\$ 508,612
Scholarships payable	952,382	621,761
Deferred revenue	178,497	230,840
Accrued pension cost	856,211	893,541
Deferred rent obligation	<u>7,466</u>	<u>57,161</u>
Total Liabilities	<u>2,582,401</u>	<u>2,311,915</u>
NET ASSETS		
Unrestricted:		
Board designated	544,434	500,000
Undesignated	<u>219,647</u>	<u>(269,211)</u>
Total Unrestricted	764,081	230,789
Temporarily restricted	7,768,647	8,062,861
Permanently restricted	<u>11,409,778</u>	<u>10,500,552</u>
Total Net Assets	<u>19,942,506</u>	<u>18,794,202</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 22,524,907</u></u>	<u><u>\$ 21,106,117</u></u>

See accompanying notes.

GIRLS INCORPORATED
STATEMENTS OF ACTIVITIES
Years Ended March 31, 2013 and 2012

	2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
OPERATING REVENUE, GAINS AND OTHER SUPPORT				
Special events revenue	\$ 1,463,704			\$ 1,463,704
Less: Direct costs of special events	<u>(219,346)</u>			<u>(219,346)</u>
Special events, net	1,244,358			1,244,358
Contributions and private grants	1,454,942	\$ 3,853,016	\$ 748,459	6,056,417
In-kind contributions	529,966			529,966
Government grants and contracts				
Program revenue	706,706			706,706
Other income	<u>50,490</u>			<u>50,490</u>
	3,986,462	3,853,016	748,459	8,587,937
Net assets released from restrictions	<u>4,798,477</u>	<u>(4,798,477)</u>		
Total Operating Revenue, Gains and Other Support	<u>8,784,939</u>	<u>(945,461)</u>	<u>748,459</u>	<u>8,587,937</u>
EXPENSES				
Program Services:				
Affiliate services/growth	2,013,286			2,013,286
Program, research and training	4,375,098			4,375,098
Public education and advocacy	<u>761,682</u>			<u>761,682</u>
Total Program Services	<u>7,150,066</u>			<u>7,150,066</u>
Supporting Services:				
Management and general	344,488			344,488
Fundraising	<u>787,358</u>			<u>787,358</u>
Total Supporting Services	<u>1,131,846</u>			<u>1,131,846</u>
Total Expenses	<u>8,281,912</u>			<u>8,281,912</u>
CHANGE IN NET ASSETS BEFORE INVESTMENT RETURN (LOSS)				
	<u>503,027</u>	<u>(945,461)</u>	<u>748,459</u>	<u>306,025</u>
INVESTMENT RETURN (LOSS)				
Net appreciation (depreciation) on investments and funds held by trustees	30,954	230,367	160,767	422,088
Investment income, net	<u>35,124</u>	<u>420,880</u>		<u>456,004</u>
Total Investment Return (Loss)	<u>66,078</u>	<u>651,247</u>	<u>160,767</u>	<u>878,092</u>
CHANGE IN NET ASSETS BEFORE PENSION CHANGES OTHER THAN NET PERIODIC COSTS				
	569,105	(294,214)	909,226	1,184,117
Pension changes other than net periodic costs	<u>(35,813)</u>			<u>(35,813)</u>
CHANGE IN NET ASSETS				
	533,292	(294,214)	909,226	1,148,304
NET ASSETS				
Beginning of year	<u>230,789</u>	<u>8,062,861</u>	<u>10,500,552</u>	<u>18,794,202</u>
End of year	<u>\$ 764,081</u>	<u>\$ 7,768,647</u>	<u>\$ 11,409,778</u>	<u>\$ 19,942,506</u>

See accompanying notes.

Unrestricted	2012		Total
	Temporarily Restricted	Permanently Restricted	
\$ 1,233,071			\$ 1,233,071
(236,658)			(236,658)
<u>996,413</u>			<u>996,413</u>
1,655,907	\$ 4,726,246	\$ 2,400	6,384,553
728,111			728,111
90,770	(9,239)		81,531
656,527			656,527
<u>34,612</u>			<u>34,612</u>
4,162,340	<u>4,717,007</u>	<u>2,400</u>	<u>8,881,747</u>
<u>3,735,507</u>	<u>(3,735,507)</u>		
<u>7,897,847</u>	<u>981,500</u>	<u>2,400</u>	<u>8,881,747</u>
1,656,911			1,656,911
3,896,271			3,896,271
<u>1,276,712</u>			<u>1,276,712</u>
<u>6,829,894</u>			<u>6,829,894</u>
317,340			317,340
<u>770,714</u>			<u>770,714</u>
<u>1,088,054</u>			<u>1,088,054</u>
<u>7,917,948</u>			<u>7,917,948</u>
(20,101)	<u>981,500</u>	<u>2,400</u>	<u>963,799</u>
47,445	(63,584)	(559,801)	(575,940)
<u>53,414</u>	<u>210,687</u>		<u>264,101</u>
<u>100,859</u>	<u>147,103</u>	<u>(559,801)</u>	<u>(311,839)</u>
80,758	1,128,603	(557,401)	651,960
<u>(253,180)</u>			<u>(253,180)</u>
(172,422)	1,128,603	(557,401)	398,780
<u>403,211</u>	<u>6,934,258</u>	<u>11,057,953</u>	<u>18,395,422</u>
<u>\$ 230,789</u>	<u>\$ 8,062,861</u>	<u>\$ 10,500,552</u>	<u>\$ 18,794,202</u>

GIRLS INCORPORATED

STATEMENTS OF FUNCTIONAL EXPENSES Years Ended March 31, 2013 and 2012

	<u>Affiliate Services/Growth</u>		<u>Program, Research and Training</u>		<u>Public Education and Advocacy</u>	
	2013	2012	2013	2012	2013	2012
Salaries	\$ 513,370	\$ 761,894	\$ 1,803,069	\$ 1,339,743	\$ 260,678	\$ 324,805
Payroll taxes and employee benefits	133,215	255,146	506,689	478,701	104,936	108,736
Consultants and professional fees	158,972	52,939	445,685	244,769	102,394	53,113
Supplies	6,041	8,924	15,750	8,460	1,889	1,718
Telephone and computer expense	9,296	20,894	103,301	49,147	6,303	21,681
Postage and shipping expense	8,292	8,862	8,504	11,775	944	1,432
Occupancy	47,150	72,568	197,444	152,776	56,381	60,716
Insurance	6,692	9,952	27,842	21,049	3,760	4,439
Equipment rental and maintenance	4,007	6,267	69,441	42,849	2,252	2,683
Travel and meetings expense	236,424	162,490	281,527	280,382	26,431	16,550
Printing and publications expense	14,928	28,571	9,166	105,584	182,804	692,649
Subscriptions	1,038	297	4,208	855	729	293
Membership dues	3,340	5,825	13,894	13,265	2,132	2,786
Scholarships	476,450	187,545	39,124	8,158		
Pass-through grants to affiliates	381,458	61,278	799,197	926,003	3,275	124
Depreciation	11,909	22,704	49,544	48,021	6,691	10,126
Miscellaneous	704	(9,245)	713	164,734	83	(25,139)
Direct costs of special events						
TOTAL EXPENSES	<u>\$2,013,286</u>	<u>\$1,656,911</u>	<u>\$4,375,098</u>	<u>\$3,896,271</u>	<u>\$761,682</u>	<u>\$1,276,712</u>

Management and General		Fundraising		Total	
2013	2012	2013	2012	2013	2012
\$ 125,136	\$ 142,820	\$ 468,645	\$ 472,975	\$ 3,170,898	\$ 3,042,237
34,532	48,251	130,483	158,115	909,855	1,048,949
42,295	33,678	86,399	93,247	835,745	477,746
2,158	3,536	3,694	9,307	29,532	31,945
1,741	13,339	6,229	31,742	126,870	136,803
1,406	1,888	3,706	4,639	22,852	28,596
68,370	75,759	50,668	55,791	420,013	417,610
9,704	10,546	7,192	7,769	55,190	53,755
5,811	6,375	4,306	5,566	85,817	63,740
11,219	10,597	165,962	142,855	721,563	612,874
18,466	(393)	52,293	34,654	277,657	861,065
1,321	180	1,230	1,480	8,526	3,105
4,843	6,145	3,589	9,194	27,798	37,215
	294	5,000	217	515,574	195,703
				1,188,930	987,916
17,269	24,059	12,798	17,724	98,211	122,634
217	(59,734)	4,510	(37,903)	6,227	32,713
		(219,346)	(236,658)	(219,346)	(236,658)
<u>\$ 344,488</u>	<u>\$ 317,340</u>	<u>\$ 787,358</u>	<u>\$ 770,714</u>	<u>\$ 8,281,912</u>	<u>\$ 7,917,948</u>

GIRLS INCORPORATED
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2013 and 2012

	2013	2012
OPERATING ACTIVITIES		
Increase in net assets	\$ 1,148,304	\$ 398,780
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	98,211	122,634
Loss on disposal of equipment		258
Bad debt expense	4,706	39,551
Net appreciation of investments	(218,964)	(48,676)
Net (appreciation) depreciation of funds held by trustees	(203,124)	624,616
(Increase) decrease in certain assets:		
Accrued investment income	5,427	172,964
Dues and other receivables	(13,247)	(32,162)
Grants, contracts and contributions receivable	900,607	(256,276)
Prepaid expenses and other	(26,275)	27,443
Increase (decrease) in certain liabilities:		
Accounts payable and accrued expenses	79,233	(273,929)
Scholarships payable	330,621	(2,201)
Deferred revenue	(52,343)	20,746
Accrued pension cost	(37,330)	189,890
Deferred rent obligation	(49,695)	(52,568)
Contributions restricted for endowment	(748,459)	(2,400)
Net Cash Provided by Operating Activities	<u>1,217,672</u>	<u>928,670</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(94,172)	(8,836)
Purchases of investments	(1,476,085)	(1,072,341)
Proceeds from sales of investments	655,556	1,061,592
(Increase) decrease in cash and equivalents - endowment	(56,773)	7,026
Net Cash Used by Investing Activities	<u>(971,474)</u>	<u>(12,559)</u>
FINANCING ACTIVITIES		
Collections of contributions restricted for endowment	748,459	2,400
Net Cash Provided by Financing Activities	<u>748,459</u>	<u>2,400</u>
NET INCREASE IN CASH AND EQUIVALENTS	994,657	918,511
CASH AND EQUIVALENTS		
Beginning of Year	<u>2,287,077</u>	<u>1,368,566</u>
End of Year	<u>\$ 3,281,734</u>	<u>\$ 2,287,077</u>

See accompanying notes.

GIRLS INCORPORATED

NOTES TO FINANCIAL STATEMENTS

March 31, 2013 and 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Girls Incorporated, which is incorporated in the Commonwealth of Massachusetts, inspires all girls to be strong, smart, and bold through life-changing programs and experiences that help girls navigate gender, economic, and social barriers. Research-based curricula, delivered by trained, mentoring professionals in a positive all-girl environment equip girls to achieve academically; lead healthy and physically active lives; manage money; navigate media messages; and discover an interest in science, technology, engineering, and math. The network of local Girls Inc. nonprofit organizations serves 136,000 girls ages 6 to 18 annually across the United States and Canada. The accompanying financial statements of Girls Incorporated do not include the financial position and operating results of affiliates, each of which has its own independent board of directors and maintains separate accounts. The accompanying financial statements of Girls Incorporated do not include the financial position and operating results of affiliates, each of which has its own independent board of directors and maintains separate accounts.

The program services of Girls Incorporated are as follows:

- **Affiliate Services/Growth** reflects delivery of program and management services and technical assistance to affiliates, replication of programs at affiliates, national scholarships and awards, development of delivery systems in major urban areas and the convening of regional meetings.
- **Program, Research and Training** reflects program development, field testing, evaluation, research, training, and technical assistance for Girls Incorporated programs. Programs focus on science, math and technology, health and sexuality, economic and financial literacy, sports skills, leadership and advocacy and media literacy.
- **Public Education and Advocacy** reflects public education, advocacy, representation in Washington, D.C., communications with internal and external audiences and strategic alliances entered into for visibility purposes.

Basis of Accounting: Girls Incorporated prepares its financial statements using the accrual basis of accounting. Girls Incorporated adheres to accounting principles generally accepted in the United States (GAAP).

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

Net Asset Classifications: Girls Incorporated's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, its net assets and changes therein are classified and reported as follows:

- **Unrestricted Net Assets** include general and board designated net assets that are not subject to donor-imposed stipulations.
- **Temporarily Restricted Net Assets** are subject to donor-imposed stipulations that will be met either by actions of Girls Incorporated or the passage of time.
- **Permanently Restricted Net Assets** are subject to donor-imposed stipulations that they be maintained permanently by Girls Incorporated and to use all or part of the income earned from the related investments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities, other than funds held by trustees, are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law. Gains and losses on funds held by trustees, which consist of perpetual trust assets, are reported as increases or decreases in permanently restricted net assets. Expiration or fulfillment of temporary restrictions on net assets are reported as net assets released from restrictions.

Cash and Equivalents: Girls Incorporated considers money market fund shares and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Girls Incorporated maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. Girls Incorporated has not experienced any losses from its bank accounts.

Membership Dues: Membership dues, which are based on a percentage of the member affiliates' annual expenditures, are recognized as revenue when earned and are included in program related revenue. Deferred revenue includes membership dues received in advance of the period to which they relate. If necessary, the carrying amount of membership dues receivable is reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Management determined that no allowance was necessary as of March 31, 2013. Management determined that an allowance of \$1,000 was appropriate as of March 31, 2012.

Promises to Give: Unconditional promises to give are recorded at net realizable value. If material, contributions to be received after one year are recorded at their present value or their estimated future cash flows, with the change in the balance of unamortized discount reflected as an adjustment to contribution revenue. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

With the exception of grants from the Centers for Disease Control (CDC grant), government grants and contracts are recorded as temporarily restricted revenue, and as the expenditures are incurred, net assets are released from restrictions. As expenses are incurred, unrestricted revenue is recorded for the CDC grant that equals the expenses incurred. Grants, contracts and contributions receivable are due to be received in the next fiscal year. Historically, Girls Incorporated has not experienced significant bad debt losses. Girls Incorporated determines its allowance for doubtful grants, contracts and contributions on its historical loss experience considering the age of the receivables. Management determined that no allowance was necessary as of March 31, 2013. Management determined that an allowance of \$20,000 on grants, contracts and contributions receivable was appropriate at March 31, 2012.

Investment Valuation and Income Recognition: Investments are stated 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. See Note 2 for discussion of fair value measurements.

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. Realized and unrealized gains and losses on investments are included in the statement of activities.

Property and Equipment: Expenditures for property and equipment are reflected at cost, less accumulated depreciation. Depreciation of property and equipment is provided on a straight-line basis. Leasehold improvements are amortized on a straight-line basis over the remaining life of the lease or the estimated useful life of the asset, whichever is shorter. The useful lives are estimated as follows:

Buildings and improvements	10-40 years
Leasehold and building improvements	7-15 years
Furnishings and equipment	3-10 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In-Kind Contributions: Contributed goods and services are recorded at their fair value on the date of receipt. Donated supplies and gifts for attendees of special events for the years ended March 31, 2013 and 2012 were \$15,028 and \$5,000, respectively, and are included in in-kind contributions and special event expenses. Donated supplies and goods for program purposes for the years ended March 31, 2013 and 2012 were \$2,158 and \$1,018, respectively, and are included as in-kind contributions and public education and advocacy expenses. For the years ended March 31, 2013 and 2012, donated advertising services of \$178,588 and \$691,699, respectively, are included in in-kind contributions and in public education and advocacy expenses. The fair value of donated public service announcements is estimated on the basis of economic benefits received by Girls Incorporated. For the years ended March 31, 2013 and 2012, donated legal, consulting and IT services of \$334,192 and \$30,394, respectively, are included in in-kind contributions and in management and general expenses.

Expense Allocation: 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 charged to programs and supporting services on the basis of periodic time and expense studies. 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 Girls Incorporated.

Special Events: The direct costs of special events include the cost of labor and equipment rental, as well as expenses for the benefit of the donor. The Internal Revenue Service considers meals, beverages and gift bags as examples of expenses for the benefit of the donor.

Income Taxes: Girls Incorporated is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for income taxes has been included in the financial statements. In addition, Girls Incorporated has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended March 31, 2013 and 2012.

Girls Incorporated files U.S. federal and states of New York and Indiana information returns. Girls Incorporated is no longer subject to U.S. federal and state tax examinations by tax authorities for the years before March 31, 2010.

Reclassifications: Certain amounts in the 2012 financial statements have been reclassified to conform to 2013 presentation.

Subsequent Events: Management has evaluated, for potential recognition and disclosure, events occurring subsequent to the date of the statement of financial position through July 18, 2013, the date the financial statements were available to be issued.

NOTE 2 - FAIR VALUE MEASUREMENTS

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

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

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

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

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, Girls Incorporated makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk. Also included in Level 3 are assets measured using a practical expedient that can never be redeemed at the practical expedient.

Following is a description of the valuation methodologies used by Girls Incorporated for assets and liabilities that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at March 31, 2013 and 2012.

Mutual Fund Shares and Money Market Fund Shares: Valued at the published net asset value (NAV) of the shares held at the reporting date.

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

Beneficial Interest in Perpetual Trusts: Valued using the fair value of the assets in the trust, as a practical expedient, since no facts and circumstances indicate that the fair value of the assets in the trusts differs from the fair value of the beneficial interest. Due to the nature of perpetual trusts, Girls Incorporated does not have the ability to redeem the assets at the practical expedients.

Beneficial Interest in Charitable Remainder Trust: Valued at the present value of future cash flows considering the estimated return on the invested assets during the expected term of the agreement, the contractual payment obligations under the agreement, and a discount rate commensurate with the rates involved.

Accrued Pension Cost: Valued based on the difference between the fair value of the plan assets and the projected benefit obligation. The fair value of plan assets is based on the unit price reported by the sponsoring insurance company. The benefit obligation is projected using the unit credit actuarial valuation method.

For those assets and liabilities with fair value measured using Level 3 inputs, management determines the fair value measurement policies and procedures in consultation with Girls Incorporated's Fiscal Oversight Committee. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

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

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of Girls Incorporated's assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2013 and 2012:

2013	Level 1	Level 2	Level 3	Total
Assets				
Cash Equivalents (including endowment):				
Money Market Fund Shares	\$ 192,871			\$ 192,871
Investments - Endowment:				
Common Stocks:				
Financials	208,449			208,449
Healthcare	256,470			256,470
Technology	277,320			277,320
Consumer goods	224,334			224,334
Consumer discretionary	220,184			220,184
Industrial goods	439,110			439,110
Other	193,266			193,266
Mutual Fund Shares:				
International equities	97,731			97,731
Exchange-traded Funds:				
Fixed income	55,590			55,590
Government Agency Bonds	744,970			744,970
Funds Held By Trustees:				
Beneficial interest in perpetual trusts			\$ 8,723,936	8,723,936.
Beneficial interest in charitable remainder trust			2,132,218	2,132,218
	<u>\$2,910,295</u>	<u>\$</u>	<u>\$10,856,154</u>	<u>\$13,766,449</u>
Liabilities				
Accrued pension cost			\$ 856,211	\$ 856,211
			<u>\$ 856,211</u>	<u>\$ 856,211</u>

2012	Level 1	Level 2	Level 3	Total
Assets				
Cash Equivalents (including endowment):				
Money Market Fund Shares	\$2,350,511			\$ 2,350,511
Investments - Endowment:				
Common Stocks:				
Financials	121,819			121,819
Healthcare	161,077			161,077
Technology	124,557			124,557
Consumer goods	148,617			148,617
Consumer discretionary	129,564			129,564
Industrial goods	322,220			322,220
Other	87,546			87,546

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

2012	Level 1	Level 2	Level 3	Total
Assets (Continued)				
Mutual Fund Shares:				
International equities	\$ 26,158			\$ 26,158
Fixed income	53,700			53,700
Other	108,589			108,589
Government Agency Bonds	394,084			394,084
Funds Held By Trustees:				
Beneficial interest in perpetual trusts			\$ 8,563,169	8,563,169
Beneficial interest in charitable remainder trust	<u> </u>	<u> </u>	<u>2,089,861</u>	<u>2,089,861</u>
 Total Assets at Fair Value	 <u>\$4,028,442</u>	 <u>\$ </u>	 <u>\$10,653,030</u>	 <u>\$14,681,472</u>
Liabilities				
Accrued pension cost			\$ 893,541	\$ 893,541
 Total Liabilities at Fair Value			 <u>\$ 893,541</u>	 <u>\$ 893,541</u>

At March 31, 2013 and 2012, Girls Incorporated had no other assets or liabilities that are measured at fair value on a recurring basis.

Activity during 2013 and 2012 related to assets measured at fair value on a recurring basis using significant unobservable inputs was as follows:

	Beneficial Interest In Perpetual Trust	Beneficial Interest in Charitable Remainder Trust
Value at March 31, 2011	\$9,122,970	\$2,154,676
Unrealized loss	<u>(559,801)</u>	<u>(64,815)</u>
Value at March 31, 2012	8,563,169	2,089,861
Unrealized gain	<u>160,767</u>	<u>42,357</u>
Value at March 31, 2013	<u>\$8,723,936</u>	<u>\$2,132,218</u>

Changes in the fair value of the Level 3 accrued pension cost for the years ended March 31, 2013 and 2012 and additional information about the valuation techniques and inputs are included in the details of the change in pension benefit obligation and the change in plan assets in Note 7.

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents Girls Incorporated's Level 3 assets, the valuation techniques used to measure the fair value of those assets, and the significant unobservable inputs and the ranges of values for those inputs.

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Basis or Range of Significant Input Values	Weighted Average
Beneficial Interest in Perpetual Trusts	\$8,723,936	Fair value of trust assets	N/A	N/A	N/A
Beneficial Interest in Charitable Remainder Trust	\$2,132,218	Discounted cash flow	Trust term based on life expectancy of trust beneficiary	Most likely outcome per actuarial life expectancy table	6.03 years
			Return on trust assets	3.0 - 12.0%	7.0%
			Discount rate	0.5 - 4.5%	2.0%

NOTE 3 - INVESTMENTS

Girls Incorporated's investments - endowment consisted of the following as of March 31, 2013 and 2012:

	2013	2012
Common stocks	\$1,819,133	\$1,095,400
Mutual funds	97,731	188,447
Government agency bonds	744,970	394,084
Exchange-traded funds	<u>55,590</u>	<u> </u>
	<u>\$2,717,424</u>	<u>\$1,677,931</u>

Girls Incorporated's investment income consisted of the following for the years ended March 31, 2013 and 2012:

	2013	2012
Distributions from perpetual trusts	\$405,516	\$210,687
Interest and dividends	67,566	89,213
Investment expenses	<u>(17,078)</u>	<u>(35,799)</u>
	<u>\$456,004</u>	<u>\$264,101</u>

Girls Incorporated's 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, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31, 2013 and 2012:

	2013	2012
Land	\$ 209,205	\$ 209,205
Building	2,431,807	2,431,807
Furnishings and equipment	623,540	558,078
Leasehold and building improvements	<u>271,426</u>	<u>271,426</u>
Total Cost	3,535,978	3,470,516
Less: Accumulated depreciation	<u>(1,805,472)</u>	<u>(1,735,971)</u>
Total Property and Equipment	<u>\$ 1,730,506</u>	<u>\$ 1,734,545</u>

NOTE 5 - GRANTS, CONTRACTS AND CONTRIBUTIONS RECEIVABLE

Grants, contracts and contributions receivable were as follows at March 31, 2013 and 2012:

	2013	2012
Restricted for specific purposes	\$1,932,925	\$3,054,740
Unrestricted	<u>1,448,009</u>	<u>1,246,801</u>
Total Grants, Contracts, and Contributions Receivable	<u>\$3,380,934</u>	<u>\$4,301,541</u>
Receivable in less than one year	\$2,955,934	\$3,766,991
Receivable in one to five years	<u>425,000</u>	<u>534,550</u>
Total Grants, Contracts, and Contributions Receivable	3,380,934	4,301,541
Less: Allowance for doubtful accounts	_____	20,000
Net Grants, Contracts, and Contributions Receivable	<u>\$3,380,934</u>	<u>\$4,281,541</u>

NOTE 6 - FUNDS HELD BY TRUSTEES

Girls Incorporated is a beneficiary of certain irrevocable perpetual trusts. The funds in the trusts are managed by third party trustees. Girls Incorporated is entitled to receive all the annual net income earned from the assets of the trusts. The fair value of the future cash receipts from these trusts have been reflected in funds held by trustees in the permanently restricted net asset class. See Note 2 for discussion of fair value measurements. The change in the fair value of the funds held by trustees is reflected as net appreciation (depreciation) of funds held by trustees in the permanently restricted net asset class. The funds appreciated by \$160,767 and depreciated by \$559,801 during the years ended March 31, 2013 and 2012, respectively. Income distributions from such trusts amounted to \$405,516 and \$210,687 for the years ended March 31, 2013 and 2012, respectively, and are reflected as investment income in the accompanying statement of activities.

Girls Incorporated is a one-third remainder beneficiary of a charitable remainder unitrust. Upon the death of the beneficiary, Girls Incorporated will receive one-third of the value of the trust. Until the beneficiary's death, the beneficiary will receive, in equal quarterly installments, a unitrust amount equal to five percent of the net fair value of the unitrust assets valued as of the first day of each taxable year of the unitrust. Girls Incorporated's beneficial interest in the charitable remainder unitrust is reported at fair value and has been reflected in funds held by trustees in the temporarily restricted net asset class. See Note 2 for discussion of fair value measurements. The change in fair value of the trust, amounting to \$42,357 and (\$64,815) for the years ended March 31, 2013 and 2012, respectively, is reflected as net appreciation (depreciation) of funds held by trustees in the temporarily restricted net asset class.

NOTE 7 - EMPLOYEE BENEFITS

Defined Benefit Pension Plan

Girls Incorporated maintains a qualified noncontributory defined benefit pension plan, which was frozen effective August 31, 2006. Thus, Plan participants will not accrue benefits after August 31, 2006, and no new employees may enter the Plan. Girls Incorporated's funding policy is to make the minimum annual contribution required by applicable regulations.

The following table sets forth the Plan's funded status and amounts recognized in Girls Incorporated's financial statements as of March 31, 2013 and 2012 and for the years then ended. The date used to determine the pension measurements for the Plan's assets and benefit obligations was March 31, 2013 and 2012.

	2013	2012
Obligation and Funded Status		
Plan assets	\$ 3,069,609	\$ 2,923,127
Accumulated benefit obligation	<u>(3,925,820)</u>	<u>(3,816,668)</u>
Funded status	<u>\$ (856,211)</u>	<u>\$ (893,541)</u>
Change in Benefit Obligation:		
Benefit obligation at beginning of year	\$ 3,816,668	\$ 3,400,589
Interest cost	187,269	184,924
Benefits paid	(176,994)	(46,873)
Actuarial net loss	<u>98,877</u>	<u>278,028</u>
Benefit obligation at end of year	<u>\$ 3,925,820</u>	<u>\$ 3,816,668</u>
Amount Recognized in the Statement of Financial Position as a Liability	<u>\$ (856,211)</u>	<u>\$ (893,541)</u>
Net Periodic Pension Cost		
Components of Net Periodic Pension Cost:		
Interest cost	\$ 187,269	\$ 184,924
Expected return on assets	(166,770)	(152,178)
Amortization of loss	<u>36,358</u>	<u>17,852</u>
Net Periodic Pension Cost	<u>\$ 56,857</u>	<u>\$ 50,598</u>

Other changes in the Plan's assets and benefit obligation previously recognized in changes in unrestricted net assets, not yet recognized as periodic pension cost:

	2013	2012
Net loss	<u>\$879,305</u>	<u>\$843,492</u>

The estimated net loss that will be amortized from changes in unrestricted net assets into net periodic benefit cost in fiscal year 2014 is \$38,928.

The following assumptions were used in accounting for the Plan:

Weighted-average assumptions used to determine pension benefit obligation at March 31, 2013 and 2012:

	2013	2012
Discount rate	5.000%	5.000%

NOTE 7 - EMPLOYEE BENEFITS (CONTINUED)

Weighted-average assumptions used to determine net periodic pension cost for the years ended March 31, 2013 and 2012:

	2013	2012
Discount rate	5.000%	5.545%
Expected return on Plan assets	5.750%	5.750%

The expected long-term rate of return on Plan assets is determined by those assets' historical long-term investment performance, current asset allocation, and estimates of long-term returns by asset class.

The Plan's investment policy is to seek primarily capital appreciation and, to a lesser extent, income for reinvestment or cash flow purposes, with the preservation of capital also being an important investment objective. Equity securities consist of investments in common stock shares and have a target asset allocation of 40-80% of total Plan assets. Debt securities (U.S. Government securities and corporate bonds) have a target asset allocation of 20-60%. Investments are purchased with the intent to hold the asset for the long-term. The Plan does not participate in hedging transactions.

Following is a description of the valuation methodology used by the Plan for investment assets measured at fair value on a recurring basis. There have been no changes in the methodology used at March 31, 2013 and 2012.

Pooled Separate Accounts: Valued at the unit price reported by the sponsoring insurance company.

Generally, the unit price is based on quoted market prices of the underlying assets owned, less any accrual of fees and expenses borne by the account, and divided by the number of outstanding units.

Following, is a summary, by major nature and risks class within each of the fair value hierarchy (see Note 2), of the Plan's investment assets that are measured at fair value on a recurring basis as of March 31, 2013 and 2012:

2013	Level 2	Total
Pooled Separate Accounts:		
Equities of socially aware companies	<u>\$3,069,609</u>	<u>\$3,069,609</u>
Total Plan Investments at Fair Value	<u>\$3,069,609</u>	<u>\$3,069,609</u>
2012	Level 2	Total
Pooled Separate Accounts:		
Equities of socially aware companies	\$2,885,095	\$2,885,095
Money market fund	<u>38,032</u>	<u>38,032</u>
Total Plan Investments at Fair Value	<u>\$2,923,127</u>	<u>\$2,923,127</u>

Girls Incorporated expects to make contributions to the Plan of approximately \$130,000 in fiscal year 2014. No Plan assets are expected to be returned to Girls Incorporated during fiscal year 2014.

NOTE 7 - EMPLOYEE BENEFITS (CONTINUED)

The following benefits are expected to be paid by the Plan:

Year Ended March 31,	Amount
2014	\$ 170,412
2015	182,832
2016	194,001
2017	218,165
2018	225,206
2019-2022	1,186,081

Defined Contribution 401(k) Plan

Girls Incorporated also sponsors a defined contribution 401(k) retirement savings plan for all of its qualified employees. All plan participants are permitted to make salary reduction contributions to the Plan. Girls Incorporated may make a discretionary contribution to the Plan, determined annually based on eligible earnings of participants. Participants become fully vested immediately upon entry into the Plan. Girls Incorporated made contributions of \$117,560 and \$114,458 to the 401(k) Plan during the years ended March 31, 2013 and 2012, respectively.

NOTE 8 - NET ASSETS

Unrestricted Net Assets:

Unrestricted net assets (deficit) consisted of the following as of March 31, 2013 and 2012:

	2013	2012
Designated by the Board for endowment purposes	\$544,434	\$ 500,000
Undesignated	<u>219,647</u>	<u>(269,211)</u>
Total Unrestricted Net Assets	<u>\$764,081</u>	<u>\$ 230,789</u>

Temporarily Restricted Net Assets:

Temporarily restricted net assets consisted of the following as of March 31, 2013 and 2012:

	2013	2012
Program Restricted:		
STEM Programming (science, technology, engineering, math)	\$ 883,148	\$ 946,247
Economic Literacy Programming	1,340,092	1,291,394
Health & Self Esteem Programming	330,000	275,000
Reading Literacy Programming	576,727	122,500
Latina Initiative	451,545	777,536
Reaching More Girls Through Mentoring and Affiliates	395,764	1,088,206
College Scholarships for Girls	1,010,357	60,942
Outcomes Measurement and Management Information System	445,422	1,411,175
Time Restricted:		
Endowment appreciation	203,374	
Beneficial interest in charitable remainder trust	<u>2,132,218</u>	<u>2,089,861</u>
Total Temporarily Restricted Net Assets	<u>\$7,768,647</u>	<u>\$8,062,861</u>

NOTE 8 - NET ASSETS (CONTINUED)

For the years ended March 31, 2013 and 2012, net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors were as follows:

	2013	2012
STEM Programming (science, technology, engineering, math)	\$ 809,090	\$ 228,415
Economic Literacy Programming	556,096	774,867
Health & Self Esteem Programming	200,000	557,244
Reading Literacy Programming	368,005	90,382
Prevention of Substance Abuse Programming	75,000	81,375
Latina Initiative	325,991	300,124
Reaching More Girls Through Mentoring and Affiliates	692,442	855,755
College Scholarships for Girls	638,311	257,695
Outcomes Measurement and Management Information System	1,065,752	315,965
Other Programs	50,000	76,507
Tribute Funds	<u>17,790</u>	<u>197,178</u>
Total Net Assets Released from Restrictions	<u>\$4,798,477</u>	<u>\$3,735,507</u>

Permanently Restricted Net Assets:

Permanently restricted net assets consist of beneficial interests in perpetual trusts, as well as endowment funds held and managed by Girls Incorporated. See Note 9.

During the year ended March 31, 2010, Girls Incorporated borrowed \$500,000 of permanently restricted net assets for operating activities with the permission of the donor. The donor has requested that the loan be repaid over a ten-year period with payments of at least \$50,000 per year beginning on January 31, 2011. The loan had a balance of \$300,000 and \$400,000 as of March 31, 2013 and 2012, respectively.

NOTE 9 - ENDOWMENT FUNDS

Girls Incorporated's endowment consists of ten individual funds established for various purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. Donor-restricted funds include perpetual trusts in which Girls Incorporated is named a beneficiary. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, 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 Massachusetts-enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Girls Incorporated classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Girls Incorporated in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE 9 - ENDOWMENT FUNDS (CONTINUED)

In accordance with UPMIFA, Girls Incorporated considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the various funds
- The purposes of the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of Girls Incorporated
- Girls Incorporated's investment policies

Investment Return Objectives, Risk Parameters and Strategies: Girls Incorporated has adopted investment and spending policies, approved by its Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Endowment assets are invested in a well-diversified asset mix, with a target asset allocation of 60% to 75% into equity and 25% to 40% into fixed income securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions according to the spending policy. Other alternative investments classes may not exceed 15% of the asset mix. The remainder of the assets not invested as noted above shall be cash reserves, which are not to exceed 10% of the assets market value, unless approved by the Investment Subcommittee. Therefore, Girls Incorporated expects its endowment assets, over time, to produce a total return in excess of that generated by relevant benchmarks. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy: Girls Incorporated has a policy of appropriating for distribution each year any earnings on the endowment fund in the amount of not more than 4% before fees of the three-year moving average market value of the endowment fund with a maximum increase of 6% per year over the prior year's spending amount. This approach serves to protect against volatility in the amount of gifts received and assists in maintaining intergenerational equity. In establishing this policy, Girls Incorporated considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. This is consistent with Girls Incorporated objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts.

Endowment net asset compositions by type of fund as of March 31, 2013 and 2012, were as follows:

2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Assets				
Board-designated endowment fund	\$544,434			\$ 544,434
Donor-restricted endowment funds	<u> </u>	<u>\$203,374</u>	<u>\$11,409,778</u>	<u>11,613,152</u>
Total Endowment	<u>\$544,434</u>	<u>\$203,374</u>	<u>\$11,409,778</u>	<u>\$12,157,586</u>

NOTE 9 - ENDOWMENT FUNDS (CONTINUED)

2012	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Assets				
Board-designated endowment fund	\$500,000			\$ 500,000
Donor-restricted endowment funds	<u> </u>	\$ <u> </u>	\$10,500,552	<u>10,500,552</u>
Total Endowment	<u>\$500,000</u>	<u>\$ </u>	<u>\$10,500,552</u>	<u>\$11,000,552</u>

Changes in net endowment assets for the years ended March 31, 2013 and 2012 were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets at March 31, 2011	\$500,000		\$11,057,953	\$11,557,953
Investment Return (Loss):				
Investment income		\$ 210,687		210,687
Net appreciation		1,231		1,231
Net loss on perpetual trusts			<u>(559,801)</u>	<u>(559,801)</u>
Total Investment Return (Loss)		<u>211,918</u>	<u>(559,801)</u>	<u>(347,883)</u>
New gifts			2,400	2,400
Amounts appropriated for expenditure	<u> </u>	<u>(211,918)</u>	<u> </u>	<u>(211,918)</u>
Endowment net assets at March 31, 2012	500,000		10,500,552	11,000,552
Investment Return:				
Investment income	3,447	420,880		424,327
Net appreciation	40,987	188,010		228,997
Net gain on perpetual trusts			<u>160,767</u>	<u>160,767</u>
Total Investment Return	<u>44,434</u>	<u>608,890</u>	<u>160,767</u>	<u>814,091</u>
New gifts			748,459	748,459
Amounts appropriated for expenditure	<u> </u>	<u>(405,516)</u>	<u> </u>	<u>(405,516)</u>
Endowment net assets at March 31, 2013	<u>\$544,434</u>	<u>\$ 203,374</u>	<u>\$11,409,778</u>	<u>\$12,157,586</u>

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires Girls Incorporated to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies noted for the years ended March 31, 2013 and 2012.

NOTE 10 - LEASES

Girls Incorporated leases office space at two locations, New York, New York and Washington, D.C. All of the leases are classified as operating leases and all are subject to the customary escalation clauses for rent, real estate taxes and building operating expenses. Rental expense each year under the leases is based on the total lease commitment, recognized on a straight-line basis over the term of the lease. A deferred rent obligation has been established for the cumulative difference between rent expense recognized to date and the amounts paid under the leases.

NOTE 10 - LEASES (CONTINUED)

Girls Incorporated also has several equipment operating leases. The future minimum rental payments required by all long-term noncancellable operating leases are as follows:

Payable in Year Ended March 31,	Rental Payments
2014	\$ 195,856
2015	165,621
2016	157,199
2017	144,654
2018	141,900
Thereafter	<u>1,709,895</u>
	<u>\$2,515,125</u>

Total rent expense was \$335,141 and \$332,572 for the years ended March 31, 2013 and 2012, respectively.

Girls Incorporated subleases office space at the New York, New York location to an affiliate under an agreement that may be canceled by either party at any time. Total sublease income was \$35,742 and \$15,318 for the years ended March 31, 2013 and 2012, respectively.

Girls Incorporated is leasing office space within the National Resource Center in Indianapolis to an unrelated party through June 2014. Total lease income was \$9,383 and \$12,429 for the years ended March 31, 2013 and 2012, respectively. Future minimum lease payments to be received are \$10,236 for the year ended March 31, 2014 and \$2,133 for the year ended March 31, 2015.

NOTE 11 - BANK LINE OF CREDIT

Girls Incorporated has a \$500,000 line of credit with a bank that expires on January 2014. As of March 31, 2013, there were no borrowings on the line of credit. The interest rate on any borrowings is equal to .5 percent less than the Bank's prime lending rate (2.75% at March 31, 2013). The line of credit is collateralized with Girls Incorporated's investment accounts.

NOTE 12 - RELATED PARTY TRANSACTIONS

Girls Incorporated has affiliates that serve as local chapters of Girls Incorporated. Girls Incorporated has no ownership or voting interests in these local chapters. However, affiliation agreements between the local chapters and Girls Incorporated give Girls Incorporated control over how the chapters carry out certain activities and require the payment of affiliate dues to Girls Incorporated. Girls Incorporated recognized dues revenue from affiliates of \$539,613 and \$557,170 for the years ended March 31, 2013 and 2012, respectively, which is included in program revenue. Girls Incorporated had dues receivable from affiliates of \$26,575 and \$26,910 at March 31, 2013 and 2012, respectively. Girls Incorporated provided funding to affiliates of \$1,188,930 and \$987,916 for the years ended March 31, 2013 and 2012, respectively. Girls Incorporated had accounts payable to affiliates of \$43,262 and \$10,371 at March 31, 2013 and 2012, respectively. Girls Incorporated also subleases office space to an affiliate. See Note 10.

Girls Incorporated recognized contributions from members of its Board of Directors of \$199,681 and \$208,169 for the years ended March 31, 2013 and 2012, respectively. Girls Incorporated had contributions receivable from members of its Board of Directors of \$51,589 and \$18,100 as of March 31, 2013 and 2012, respectively. Girls Incorporated had accounts payable to members of its Board of Directors of \$18,722 as of March 31, 2013.