

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

GIRLS INCORPORATED OF OMAHA

DECEMBER 31, 2008 AND 2007

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	4
STATEMENTS OF FUNCTIONAL EXPENSES - PROGRAM SERVICES	5
STATEMENTS OF FUNCTIONAL EXPENSES - SUPPORTING SERVICES	6
STATEMENTS OF FUNCTIONAL EXPENSES - COMBINING PROGRAM AND SUPPORTING SERVICES	7
NOTES TO FINANCIAL STATEMENTS	8

Awerkamp, Goodnight, Schwaller & Nelson, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
17007 Marcy Street - Suite One
Omaha, Nebraska 68118-3122

THOMAS J. SCHWALLER, CPA
CONRAD NELSON, CPA
JOHN R. PRIBRAMSKY, CPA
DANIEL R. GILG, CPA, CFP®

Telephone: (402) 334-9011
(402) 334-9111
FAX: (402) 334-9112

ALDEN B. AWERKAMP

J. DOUGLAS GOODNIGHT
(1936 - 2006)

Board of Directors
Girls Incorporated of Omaha

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of Girls Incorporated of Omaha (a not-for-profit organization) as of December 31, 2008 and 2007 and the related statements of activities, functional expenses - program services, functional expenses - supporting services, functional expenses - combining program and supporting services, and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls Incorporated of Omaha as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Awerkamp, Goodnight, Schwaller & Nelson, P.C.

Omaha, Nebraska
March 23, 2009

Girls Incorporated of Omaha
STATEMENTS OF FINANCIAL POSITION
December 31,

	2008	2007
<u>ASSETS</u>		
Cash and cash equivalents (note B)	\$ 682,382	\$ 771,894
Accounts receivable	25,080	49,074
Unconditional promises to give:		
United Way funding for the next fiscal year	281,196	278,491
Restricted (note D)	583,918	755,000
Short-term investments (notes B, D and E)	3,089,429	5,540,121
Property and equipment:		
Land	62,111	62,111
Building and improvements	4,602,699	3,525,761
Furniture and equipment	312,573	301,186
Vehicles	252,117	252,117
Recreation and education equipment	63,386	60,874
Computer equipment	107,155	97,837
Less accumulated depreciation and amortization	(2,042,354)	(1,847,924)
Construction-in-progress (note H)	80,903	203,369
Total assets	\$ 8,100,595	\$10,049,911
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 97,814	\$ 156,356
Total liabilities	97,814	156,356
<u>COMMITMENTS AND CONTINGENCIES</u> (note C)		
	-	-
<u>NET ASSETS</u>		
Unrestricted	5,586,628	6,290,096
Temporarily restricted (note D)	1,559,309	2,746,615
Permanently restricted (note E)	856,844	856,844
Total net assets	8,002,781	9,893,555
Total liabilities and net assets	\$ 8,100,595	\$10,049,911

The accompanying notes are an integral
part of these financial statements.

STATEMENTS OF ACTIVITIES

Girls Incorporated of Omaha

STATEMENTS OF ACTIVITIES

Years ended December 31,

	2008		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Support and revenue:			
Contributions	\$ 302,382	\$ 93,335	\$ -
United Way funding (note D)	306,983	281,196	-
Special events (net of expenses of \$96,251 and \$85,029 in 2008 and 2007, respectively)	293,258	-	-
Government agency grants	35,139	-	-
Other grants	96,827	38,000	-
Kidability fees	83,223	-	-
Program fees	82,853	-	-
Membership dues	615	-	-
Dividends and interest	175,749	-	-
Realized and unrealized gains (losses)	(1,613,554)	-	-
Miscellaneous income	<u>2,724</u>	<u>-</u>	<u>-</u>
	(233,801)	412,531	-
Net assets released from restrictions:			
United Way funding	278,491	(278,491)	-
Restrictions satisfied by payments	<u>1,321,346</u>	<u>(1,321,346)</u>	<u>-</u>
Total support and revenue	<u>1,366,036</u>	<u>(1,187,306)</u>	<u>-</u>
Expenses:			
Program services	(1,870,889)	-	-
Supporting services	<u>(198,615)</u>	<u>-</u>	<u>-</u>
Total expenses	<u>(2,069,504)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	(703,468)	(1,187,306)	-
NET ASSETS AT BEGINNING OF YEAR	<u>6,290,096</u>	<u>2,746,615</u>	<u>856,844</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,586,628</u>	<u>\$ 1,559,309</u>	<u>\$856,844</u>

The accompanying notes are an integral part of these financial statements.

2008		2007		
Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 395,717	\$ 508,438	\$1,300,144	\$ -	\$ 1,808,582
588,179	300,209	278,491	-	578,700
293,258	210,982	-	-	210,982
35,139	37,251	-	-	37,251
134,827	85,325	75,500	-	160,825
83,223	92,549	-	-	92,549
82,853	93,439	-	-	93,439
615	5,105	-	-	5,105
175,749	441,141	-	-	441,141
(1,613,554)	43,265	-	-	43,265
<u>2,724</u>	<u>4,400</u>	<u>-</u>	<u>-</u>	<u>4,400</u>
178,730	1,822,104	1,654,135	-	3,476,239
-	278,491	(278,491)	-	-
<u>-</u>	<u>950,820</u>	<u>(950,820)</u>	<u>-</u>	<u>-</u>
<u>178,730</u>	<u>3,051,415</u>	<u>424,824</u>	<u>-</u>	<u>3,476,239</u>
(1,870,889)	(1,826,786)	-	-	(1,826,786)
<u>(198,615)</u>	<u>(197,617)</u>	<u>-</u>	<u>-</u>	<u>(197,617)</u>
<u>(2,069,504)</u>	<u>(2,024,403)</u>	<u>-</u>	<u>-</u>	<u>(2,024,403)</u>
(1,890,774)	1,027,012	424,824	-	1,451,836
<u>9,893,555</u>	<u>5,263,084</u>	<u>2,321,791</u>	<u>856,844</u>	<u>8,441,719</u>
<u>\$ 8,002,781</u>	<u>\$ 6,290,096</u>	<u>\$2,746,615</u>	<u>\$856,844</u>	<u>\$ 9,893,555</u>

Girls Incorporated of Omaha

STATEMENTS OF CASH FLOWS

Years ended December 31,

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$(1,890,774)	\$ 1,451,836
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	194,430	179,117
Realized and unrealized (gains) losses	1,613,554	(30,889)
Restricted contributions	(57,958)	(1,375,644)
(Increase) decrease in accounts receivable	23,994	(15,315)
Increase (decrease) in accounts payable and other liabilities	<u>(58,542)</u>	<u>33,636</u>
Net cash provided by (used in) operating activities	<u>(175,296)</u>	<u>242,741</u>
Cash flows from investing activities:		
Purchase of equipment and building improvements	(977,689)	(654,264)
Purchase of investments	(536,934)	(1,293,097)
Proceeds from sale of investments	<u>1,374,072</u>	<u>849,690</u>
Net cash used in investing activities	<u>(140,551)</u>	<u>(1,097,671)</u>
Cash flows from financing activities:		
Proceeds from contributions restricted for:		
Capital improvements and scholarships	188,335	770,719
Programs for the next fiscal year	<u>38,000</u>	<u>75,500</u>
Net cash provided by financing activities	<u>226,335</u>	<u>846,219</u>
Net decrease in cash and cash equivalents	(89,512)	(8,711)
Cash and cash equivalents at beginning of year	<u>771,894</u>	<u>780,605</u>
Cash and cash equivalents at end of year	<u>\$ 682,382</u>	<u>\$ 771,894</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FUNCTIONAL EXPENSES -
PROGRAM SERVICES

Girls Incorporated of Omaha

STATEMENTS OF FUNCTIONAL EXPENSES -
PROGRAM SERVICES

Years ended December 31, 2008 and 2007

	Arts & Crafts & Arts <u>Appreciation</u>	Career Counseling	Child Abuse Prevention	Education Programs
Salaries	\$ 80,737	\$ 90,829	\$ 60,553	\$393,591
Employee benefits	6,598	7,423	4,949	32,168
Payroll taxes	<u>6,081</u>	<u>6,841</u>	<u>4,561</u>	<u>29,647</u>
Total employee compensation	93,416	105,093	70,063	455,406
Professional fees and contract services	2,701	3,038	2,026	19,520
Supplies	5,903	6,640	4,426	28,773
Telephone	1,427	1,604	1,069	6,952
Postage	332	373	249	1,616
Occupancy	13,571	15,267	10,178	66,157
Rental and maintenance of equipment	1,883	2,119	1,413	9,182
Printing and publications	1,425	1,603	8,270	6,948
Mileage and van fuel	1,810	2,036	1,357	8,822
Conferences, conventions and meetings	1,305	1,468	979	6,361
Specific assistance to individuals	-	7,030	-	109,230
Membership dues	154	174	116	753
Awards and grants	25	28	18	120
Insurance	3,939	4,432	2,954	19,203
National dues	-	-	-	-
Other operating	<u>459</u>	<u>517</u>	<u>344</u>	<u>2,238</u>
Total operating expenses	<u>\$128,350</u>	<u>\$151,422</u>	<u>\$103,462</u>	<u>\$741,281</u>
Scholarship payments				
Depreciation and other capital expense				
Total expenses				

The accompanying notes are an integral
part of these financial statements.

<u>Meals/ Cooking Classes</u>	<u>Mental Healthcare Career Counseling</u>	<u>Recreational Activities</u>	<u>Youth Development</u>	<u>National dues</u>	<u>Total 2008</u>	<u>Total 2007</u>
\$ 70,645	\$ 70,645	\$ 80,737	\$ 60,553	\$ -	\$ 908,290	\$ 851,322
5,774	5,774	6,598	4,949	-	74,233	76,392
<u>5,322</u>	<u>5,322</u>	<u>6,081</u>	<u>4,561</u>	<u>-</u>	<u>68,416</u>	<u>64,220</u>
81,741	81,741	93,416	70,063	-	1,050,939	991,934
2,363	2,363	2,701	2,026	-	36,738	58,542
5,164	5,164	5,903	4,426	-	66,399	79,229
1,248	1,248	1,427	1,069	-	16,044	14,460
290	290	332	249	-	3,731	4,498
<u>11,874</u>	<u>11,874</u>	<u>13,571</u>	<u>10,178</u>	<u>-</u>	<u>152,670</u>	<u>141,481</u>
1,648	1,648	1,883	1,413	-	21,189	16,942
1,247	1,247	1,425	1,070	-	23,235	25,179
1,583	1,583	1,810	1,357	-	20,358	19,251
1,141	1,141	1,305	979	-	14,679	12,972
62,346	-	13,654	13,654	-	205,914	181,298
135	135	154	116	-	1,737	1,778
22	22	25	18	-	278	1,130
3,447	3,447	3,939	2,954	-	44,315	52,388
-	-	-	-	11,000	11,000	10,000
<u>402</u>	<u>402</u>	<u>459</u>	<u>344</u>	<u>-</u>	<u>5,165</u>	<u>8,332</u>
<u>\$174,651</u>	<u>\$112,305</u>	<u>\$142,004</u>	<u>\$109,916</u>	<u>\$11,000</u>	1,674,391	1,619,414
					18,163	18,876
					<u>178,335</u>	<u>188,496</u>
					<u>\$1,870,889</u>	<u>\$1,826,786</u>

Girls Incorporated of Omaha
 STATEMENTS OF FUNCTIONAL EXPENSES -
 SUPPORTING SERVICES

Years ended December 31, 2008 and 2007

	<u>Management and general</u>	<u>Fund raising</u>	<u>Total 2008</u>	<u>Total 2007</u>
Salaries	\$30,276	\$ 70,645	\$100,921	\$ 94,592
Employee benefits	2,475	5,774	8,249	8,488
Payroll taxes	<u>2,280</u>	<u>5,322</u>	<u>7,602</u>	<u>7,135</u>
Total employee compensation	35,031	81,741	116,772	110,215
Professional fees and contract services	1,013	2,363	3,376	3,034
Supplies	2,213	5,164	7,377	8,802
Telephone	535	1,248	1,783	1,608
Postage	123	290	413	500
Occupancy	5,089	11,874	16,963	15,720
Rental and maintenance of equipment	706	1,648	2,354	1,883
Printing and publications	534	1,247	1,781	1,745
Mileage and van fuel	679	1,583	2,262	2,140
Conferences, conventions and meetings	489	1,141	1,630	1,441
Membership dues	58	135	193	197
Awards and grants	8	22	30	126
Insurance	1,477	3,447	4,924	5,820
Other operating	<u>172</u>	<u>402</u>	<u>574</u>	<u>926</u>
Total operating expenses	48,127	112,305	160,432	154,157
Investment expense and miscellaneous	21,188	-	21,188	25,516
Depreciation and other capital expenses	<u>16,995</u>	<u>-</u>	<u>16,995</u>	<u>17,944</u>
Total expenses	<u>\$86,310</u>	<u>\$112,305</u>	<u>\$198,615</u>	<u>\$197,617</u>

The accompanying notes are an integral
 part of these financial statements.

Girls Incorporated of Omaha

STATEMENTS OF FUNCTIONAL EXPENSES -
COMBINING PROGRAM AND SUPPORTING SERVICES

Years ended December 31, 2008 and 2007

	<u>Total program services</u>	<u>Total supporting services</u>	<u>Combined total 2008</u>	<u>Combined total 2007</u>
Salaries	\$ 908,290	\$100,921	\$1,009,211	\$ 945,914
Employee benefits	74,233	8,249	82,482	84,880
Payroll taxes	<u>68,416</u>	<u>7,602</u>	<u>76,018</u>	<u>71,355</u>
Total employee compensation	1,050,939	116,772	1,167,711	1,102,149
Professional fees and contract services	36,738	3,376	40,114	61,576
Supplies	66,399	7,377	73,776	88,031
Telephone	16,044	1,783	17,827	16,068
Postage	3,731	413	4,144	4,998
Occupancy	152,670	16,963	169,633	157,201
Rental and maintenance of equipment	21,189	2,354	23,543	18,825
Printing and publications	23,235	1,781	25,016	26,924
Mileage and van fuel	20,358	2,262	22,620	21,391
Conferences, conventions and meetings	14,679	1,630	16,309	14,413
Specific assistance to individuals	205,914	-	205,914	181,298
Membership dues	1,737	193	1,930	1,975
Awards and grants	278	30	308	1,256
Insurance	44,315	4,924	49,239	58,208
National dues	11,000	-	11,000	10,000
Other operating	<u>5,165</u>	<u>574</u>	<u>5,739</u>	<u>9,258</u>
Total operating expenses	1,674,391	160,432	1,834,823	1,773,571
Scholarship payments	18,163	-	18,163	18,876
Investment expense	-	21,188	21,188	25,516
Depreciation and other capital expenses	<u>178,335</u>	<u>16,995</u>	<u>195,330</u>	<u>206,440</u>
Total expenses	<u>\$1,870,889</u>	<u>\$198,615</u>	<u>\$2,069,504</u>	<u>\$2,024,403</u>

The accompanying notes are an integral part of these financial statements.

Girls Incorporated of Omaha
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Girls Incorporated of Omaha (Girls Inc.) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of activities

Girls Incorporated of Omaha (the Organization) serves girls of ages 5 through 18 with various gender specific programs designed to provide the girls with activities and experiences which meet their needs. The Organization is supported primarily through donor contributions, grants and the United Way. Financial activities of a related entity called Girls Incorporated of Omaha Girlfriends are included in the financial statements of the Organization.

Donated goods and services

Donations of contributed services (that create or enhance nonfinancial assets), and property and equipment are recorded as support at their estimated fair value and are unrestricted unless the donor has restricted the assets for a specific purpose.

Donated goods and services, for which there is no clearly measurable basis for recording the value of such or that do not create or enhance nonfinancial assets, are not reflected in the statements. Services provided primarily include counselors and instructors. Values of unrecorded donated goods and services for 2008 were estimated by personnel of Girls Incorporated of Omaha. The following estimated values do not include the many hours spent by the regular on-going volunteer workers.

Furniture and equipment	\$ 5,300
Goods and services	<u>4,870</u>
Total	<u>\$10,170</u>

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless such funds are restricted for long-term purposes.

Investments

The marketable debt and equity securities are stated at fair value as determined by quoted market prices. Other investments are carried at cost if purchased or, if donated, at the fair market value on the date of the gift.

Girls Incorporated of Omaha

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and equipment

Property and equipment are carried at cost or, if donated, at fair market value on date of donation. Depreciation and amortization are provided on a straight-line basis over the following estimated useful lives:

	<u>Lives</u>
Buildings and improvements	5 - 30 years
Furniture and equipment	5 - 10 years
Vehicles	3 - 5 years

Promises to give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Promises to give are typically due within one year, except as described in note D. Uncollectible promises to give are expected to be insignificant.

Estimates

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

Allocation of expenses

Reasonable allocations of the Organization's functional expenditures are made at the beginning of each year on anticipated activities in each of the various programs. These allocations are revised periodically and at the end of each year to reflect significant changes in the level of the organization's activities.

Income taxes

Girls Incorporated of Omaha is a not-for-profit organization, and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Girls Incorporated of Omaha

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2008 and 2007

NOTE B - INVESTMENTS

Investments consist of the following at December 31:

	<u>2008</u>	<u>2007</u>
Cash on hand to be invested	\$ 146,951	\$ 51,308
Money market funds	159,483	194,612
Certificate of deposit	179,702	175,000
Common stocks	290,930	424,800
Mutual funds	<u>2,617,200</u>	<u>4,940,321</u>
	3,394,266	5,786,041
Accrued interest	<u>1,596</u>	<u>762</u>
	<u>\$3,395,862</u>	<u>\$5,786,803</u>

Balance sheet classifications are as follows at December 31, :

	<u>2008</u>	<u>2007</u>
Cash equivalents	\$ 306,433	\$ 246,682
Short-term investments	<u>3,089,429</u>	<u>5,540,121</u>
	<u>\$3,395,862</u>	<u>\$5,786,803</u>

NOTE C - COMMITMENTS AND CONTINGENCIES

Girls, Inc. has a 60 month lease for a copy machine that calls for monthly base rental payments of \$271, beginning in January, 2007 through December, 2011.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2008 are as follows:

Year ending December 31:

2009	\$3,252
2010	3,252
2011	<u>3,252</u>
	<u>\$9,756</u>

Total rental expense is \$3,252 and \$3,252 for each of the years ended December 31, 2008 and 2007, respectively.

Girls Incorporated of Omaha

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2008 and 2007

NOTE D - TEMPORARY RESTRICTIONS ON ASSETS

The majority of restrictions on assets at the end of 2008 and 2007 relate to various items as follows:

United Way Funding for Next Year:

United Way has a June 30 allocation year end. As a result, six months of the allocation for the 2008/2009 award is considered to be temporarily restricted due to timing of the receipts.

Capital Improvement Restrictions:

1. During 2006, Girls Inc. began a capital contribution campaign for planned major renovations at both its north and south facilities. The Organization received contributions and promises-to-give for this project totaling \$1,662,644 prior to 2008. All proceeds were restricted for the planned renovations (note H).
2. In 2005, Girls Inc. was awarded a \$500,000 challenge grant for planned renovations of both its north and south facilities. The grant was conditional upon the ability of the organization to develop a portion (approximately \$983,000) of the balance of the funds needed in new cash contributions or from written pledges before June 30, 2008. The condition (among others) was substantially met and the grant was recognized during 2007. Payment was received subsequent to 2008 (see note H). In conjunction with this grant, \$487,000 was designated from current resources of the Organization.
3. In prior years, the organization was the recipient of the proceeds of golf and tennis tournaments sponsored by various local individuals and corporations. The proceeds were also matched by a prominent local charitable foundation involved in the tournament. The proceeds are restricted for capital improvements, and are included in investments until used.
4. Also included in investments are Wiebe funds of \$609,665, of which \$269,444 is restricted for capital improvements. These funds were derived from a land donation in 1998 and subsequent sale in 1999.

Girls Incorporated of Omaha

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2008 and 2007

NOTE D - TEMPORARY RESTRICTIONS ON ASSETS - CONTINUED

Scholarship Restrictions:

1. Funds that are temporarily restricted for individual scholarships consist of the following donations:

Burke Fund	\$ 3,466
Cornett Funds	27,226
Heng-Braun Fund	10,842
Edna Luttbeg Campership	3,184
Lonnie Michael Fund	13,374
Reach for Joy Fund	5,023
Strauss Funds	8,292
Wiebe Funds	144,467
Miscellaneous	<u>2,082</u>
	<u>\$217,956</u>

The majority of the scholarship funds are available for post secondary education. Girls may apply annually for up to four years, and selections are made by a Scholarship Committee. Other scholarship funds (Luttbeg Campership and Strauss Funds) are available for special workshops, exchange programs, summer school and miscellaneous programs for membership age girls.

NOTE E - PERMANENT RESTRICTIONS ON ASSETS

Investments include a total of \$856,844 of permanently restricted net assets whereby the donor has stipulated that the principal contribution must be maintained intact in perpetuity. Included in the aforementioned amount is \$397,651 of permanently restricted net assets attributed to Wiebe funds.

NOTE F - EMPLOYEE BENEFITS

A defined contribution retirement plan is available for employees who have reached age 21 and have completed one year of service. The Organization contributes 2% of eligible employee gross wages and will match employee contributions up to an additional 3% of gross wages. Total expense for the years ended December 31, 2008 and 2007 is \$29,565 and \$26,245, respectively.

NOTE G - CONCENTRATION OF CREDIT RISK

The Organization has a substantial portion of its investments held in trust at a national, highly regarded financial institution. These and other investments are above federally insured levels or are in non-insured assets, and are subject to market fluctuations (see note I).

Girls Incorporated of Omaha

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2008 and 2007

NOTE H - CONSTRUCTION IN PROGRESS

During the year, the organization expended certain costs for the final phase of major renovations at its north and south facilities. The remaining projects were completed in 2009 at a cost of approximately \$115,000.

NOTE I - SUBSEQUENT EVENTS

After year end, Girls, Inc. entered into a three-year matching contribution grant agreement for funding for an after-school literacy and self-esteem program. The program is to begin in August, 2009 and continues through July, 2012. The grant requires first year matching of \$50,000 to the \$100,000 contribution, second year matching of \$75,000 to the \$75,000 contribution and third year matching of \$100,000 to the \$50,000 contribution. Management believes that the organization will be able to raise funding for all three years matches.

Subsequent to year end, market values of certain investments have declined approximately 10%. Management feels that the decrease is due to overall economic conditions, and will continue to monitor the quality of its investment mix along with the current economic climate.