

Financial Statements and Independent Auditors' Report



of Orange County

GIRLS INC. OF ORANGE COUNTY

As of and for the Years Ended December 31, 2025 and 2024

GIRLS INC. OF ORANGE COUNTY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Girls Inc. of Orange County

Opinion

We have audited the accompanying financial statements of Girls Inc. of Orange County (the "Organization"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, 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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of 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 within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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.



HASKELL & WHITE LLP

Irvine, California
April 27, 2026

Girls Inc. of Orange County
Statement of Financial Position
As of December 31, 2025

ASSETS

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Current assets			
Cash and cash equivalents	\$ 819,009	\$ 533,721	\$ 1,352,730
Investments	3,440,863	-	3,440,863
Pledges and grants receivable, net	106,057	162,389	268,446
Inventory and other assets	73,724	-	73,724
Prepaid expenses	182,169	-	182,169
Total current assets	<u>4,621,822</u>	<u>696,110</u>	<u>5,317,932</u>
Noncurrent assets			
Pledges and grants receivable, net	-	97,252	97,252
Investments (Note 5)	2,384,872	-	2,384,872
Property and equipment, net	22,540	-	22,540
Operating lease right-of-use asset	147,780	-	147,780
Security deposit	2,520	-	2,520
Total noncurrent assets	<u>2,557,712</u>	<u>97,252</u>	<u>2,654,964</u>
Total assets	<u>\$ 7,179,534</u>	<u>\$ 793,362</u>	<u>\$ 7,972,896</u>

LIABILITIES AND NET ASSETS

Current liabilities			
Accounts payable and accrued expenses	\$ 122,453	\$ -	\$ 122,453
Accrued payroll and payroll taxes	129,406	-	129,406
Accrued vacation	98,390	-	98,390
Deferred revenue	2,500	-	2,500
Total current liabilities	<u>352,749</u>	<u>-</u>	<u>352,749</u>
Noncurrent liabilities			
Operating lease liability, less current portion	96,042	-	96,042
Total liabilities	<u>448,791</u>	<u>-</u>	<u>448,791</u>
Commitments and contingencies (Note 11)			
Net assets	<u>6,730,743</u>	<u>793,362</u>	<u>7,524,105</u>
Total liabilities and net assets	<u>\$ 7,179,534</u>	<u>\$ 793,362</u>	<u>\$ 7,972,896</u>

See notes to financial statements.

Girls Inc. of Orange County
Statement of Financial Position
As of December 31, 2024

ASSETS

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Current assets			
Cash and cash equivalents	\$ 431,346	\$ 659,348	\$ 1,090,694
Investments	3,007,823	-	3,007,823
Pledges and grants receivable, net	189,300	444,349	633,649
Inventory and other assets	124,681	-	124,681
Prepaid expenses	195,311	-	195,311
	<hr/>	<hr/>	<hr/>
Total current assets	3,948,461	1,103,697	5,052,158
	<hr/>	<hr/>	<hr/>
Noncurrent assets			
Pledges and grants receivable, net	-	76,343	76,343
Investments (Note 5)	2,384,872	-	2,384,872
Property and equipment, net	46,922	-	46,922
Operating lease right-of-use asset	29,986	-	29,986
Security deposit	2,520	-	2,520
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	2,464,300	76,343	2,540,643
	<hr/>	<hr/>	<hr/>
Total assets	\$ 6,412,761	\$ 1,180,040	\$ 7,592,801
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LIABILITIES AND NET ASSETS

Current liabilities			
Accounts payable and accrued expenses	\$ 120,512	\$ -	\$ 120,512
Accrued payroll and payroll taxes	116,425	-	116,425
Accrued vacation	96,187	-	96,187
Deferred revenue	28,000	-	28,000
	<hr/>	<hr/>	<hr/>
Total current liabilities	361,124	-	361,124
	<hr/>	<hr/>	<hr/>
Total liabilities	361,124	-	361,124
	<hr/>	<hr/>	<hr/>
Commitments and contingencies (Note 11)			
Net assets	6,051,637	1,180,040	7,231,677
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Total liabilities and net assets	\$ 6,412,761	\$ 1,180,040	\$ 7,592,801
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See notes to financial statements.

Girls Inc. of Orange County

**Statement of Activities and Changes in Net Assets
For The Year Ended December 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains			
Private grants	\$ 1,286,374	\$ 421,500	\$ 1,707,874
Contributions	409,216	382,450	791,666
Program activities	326,806	-	326,806
In-kind contributions	235,954	-	235,954
Other income	1,020	-	1,020
Investment returns, net	695,711	-	695,711
Fundraising events	951,546	-	951,546
Less: costs of direct benefits to donors	(299,238)	-	(299,238)
Total revenue, support and gains	<u>3,607,389</u>	<u>803,950</u>	<u>4,411,339</u>
Net assets released from restriction	<u>1,190,628</u>	<u>(1,190,628)</u>	<u>-</u>
Total revenue, support and gains	<u>4,798,017</u>	<u>(386,678)</u>	<u>4,411,339</u>
Expenses			
Program services	2,958,751	-	2,958,751
Management and general	564,630	-	564,630
Fundraising	595,530	-	595,530
Total expenses	<u>4,118,911</u>	<u>-</u>	<u>4,118,911</u>
Change in net assets	679,106	(386,678)	292,428
Net assets, beginning of year	<u>6,051,637</u>	<u>1,180,040</u>	<u>7,231,677</u>
Net assets, end of year	<u>\$ 6,730,743</u>	<u>\$ 793,362</u>	<u>\$ 7,524,105</u>

See notes to financial statements.

Girls Inc. of Orange County

**Statement of Activities and Changes in Net Assets
For The Year Ended December 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains			
Private grants	\$ 1,227,429	\$ 851,509	\$ 2,078,938
Contributions	619,164	47,764	666,928
Program activities	288,206	-	288,206
In-kind contributions	350,749	-	350,749
Other income	4,350	-	4,350
Investment returns, net	435,895	-	435,895
Fundraising events	989,742	-	989,742
Less: costs of direct benefits to donors	(453,227)	-	(453,227)
Total revenue, support and gains	3,462,308	899,273	4,361,581
Net assets released from restriction	819,972	(819,972)	-
Total revenue, support and gains	4,282,280	79,301	4,361,581
Expenses			
Program services	2,859,232	-	2,859,232
Management and general	564,069	-	564,069
Fundraising	619,113	-	619,113
Total expenses	4,042,414	-	4,042,414
Change in net assets	239,866	79,301	319,167
Net assets, beginning of year	5,811,771	1,100,739	6,912,510
Net assets, end of year	\$ 6,051,637	\$ 1,180,040	\$ 7,231,677

See notes to financial statements.

Girls Inc. of Orange County

**Statement of Functional Expenses
For The Year Ended December 31, 2025**

	Program Services	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total
Salaries and wages	\$ 1,724,855	\$ 356,078	\$ 402,636	\$ -	\$ 2,483,569
Employee benefits	154,575	41,424	18,057	-	214,056
Payroll taxes	126,178	24,951	29,088	-	180,217
Pension	22,445	9,961	1,521	-	33,927
Programs	520,895	-	-	-	520,895
In-kind	84,457	26,745	44,035	122,620	277,857
Events	64,207	3,100	15,528	176,618	259,453
Occupancy	69,474	12,406	7,444	-	89,324
Office	57,135	10,203	6,122	-	73,460
Utilities and telephone	49,514	8,842	5,305	-	63,661
Professional services	9,085	42,480	6,056	-	57,621
Communication and marketing	-	-	42,706	-	42,706
Travel and meetings	14,659	15,385	8,698	-	38,742
Depreciation	24,323	4,343	3,475	-	32,141
Insurance	18,703	3,789	3,475	-	25,967
Printing	5,686	1,015	609	-	7,310
Equipment	5,386	962	577	-	6,925
Dues and subscriptions	5,323	1,394	-	-	6,717
Postage	1,851	331	198	-	2,380
Other taxes	-	1,221	-	-	1,221
Uncollectible pledges	-	-	-	-	-
	<u>2,958,751</u>	<u>564,630</u>	<u>595,530</u>	<u>299,238</u>	<u>4,418,149</u>
Less: costs of direct benefits to donors	-	-	-	(299,238)	(299,238)
Total expenses	<u>\$ 2,958,751</u>	<u>\$ 564,630</u>	<u>\$ 595,530</u>	<u>\$ -</u>	<u>\$ 4,118,911</u>

See notes to financial statements.

Girls Inc. of Orange County
Statement of Functional Expenses
For The Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total
Salaries and wages	\$ 1,677,718	\$ 333,324	\$ 375,192	\$ -	\$ 2,386,234
Employee benefits	130,020	33,418	13,694	-	177,132
Pension	22,137	11,046	4,656	-	37,839
Payroll taxes	124,028	24,642	27,737	-	176,407
Programs	426,723	-	-	-	426,723
In-kind	80,017	-	-	185,046	265,063
Events	86,827	2,760	106,764	268,181	464,532
Occupancy	61,010	10,895	8,716	-	80,621
Office	24,966	30,918	4,710	-	60,594
Utilities and telephone	48,850	8,723	9,053	-	66,626
Professional services	45,268	52,405	45,389	-	143,062
Communication and marketing	67,369	5,155	12,533	-	85,057
Travel and meetings	7,731	6,530	3,563	-	17,824
Depreciation	21,071	3,763	3,011	-	27,845
Insurance	17,413	8,967	1,512	-	27,892
Printing	6,425	1,147	918	-	8,490
Equipment	10,530	1,880	1,504	-	13,914
Dues and subscriptions	-	3,770	-	-	3,770
Postage	1,129	202	161	-	1,492
Other taxes	-	3,538	-	-	3,538
Uncollectible pledges	-	20,986	-	-	20,986
	<u>2,859,232</u>	<u>564,069</u>	<u>619,113</u>	<u>453,227</u>	<u>4,495,641</u>
Less: costs of direct benefits to donors	-	-	-	(453,227)	(453,227)
Total expenses	<u>\$ 2,859,232</u>	<u>\$ 564,069</u>	<u>\$ 619,113</u>	<u>\$ -</u>	<u>\$ 4,042,414</u>

See notes to financial statements.

Girls Inc. of Orange County

**Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024**

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 292,428	\$ 319,167
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	32,141	27,845
Amortization of operating lease right-of-use asset	49,993	56,520
Uncollectible receivables	-	20,986
In-kind contributions - jewelry	-	(202,128)
Unrealized gain on investments, net	(466,759)	(249,544)
(Increase) decrease in:		
Pledges and grants receivable, net	344,294	199,718
Inventory and other assets	50,957	81,622
Prepaid expenses	13,142	(13,163)
Increase (decrease) in:		
Accounts payable and accrued expenses	(20,530)	46,794
Accrued payroll and payroll taxes	12,981	22,330
Accrued vacation	2,203	8,341
Deferred revenue	(25,500)	11,000
Operating lease liability, net	(49,275)	(57,495)
	236,075	271,993
Net cash provided by operating activities		
Cash flows from investing activities		
Dividends and realized gain reinvestments, net	(228,952)	(186,351)
Net sales of investments	6,893	18,681
(Maturity) purchase of certificate of deposit	255,779	(255,779)
Purchase of property and equipment	(7,759)	(18,157)
	25,961	(441,606)
Net cash provided by (used in) investing activities		
Net change in cash and cash equivalents	262,036	(169,613)
Cash and cash equivalents, beginning of year	1,090,694	1,260,307
Cash and cash equivalents, end of year	\$ 1,352,730	\$ 1,090,694

See notes to financial statements.

Girls Inc. of Orange County

Notes to Financial Statements For the Years Ended December 31, 2025 and 2024

1. Organization and Mission

Established in 1954, Girls Inc. of Orange County (“GIOC” or the “Organization”) is the local affiliate of the Girls Inc. national organization that works alongside families and schools to provide girls, ages 5 to 18 and into college and career, the instruction, mentoring and support they need to be successful throughout their lives. Each year, GIOC impacts the lives of girls throughout Orange County, leading them through specially designed educational programming in the areas most critical to girls’ needs.

In 2025, Girls Inc. of Orange County served over 11,000 participants. GIOC prioritizes providing services to girls who live in areas where the need is greatest. Eighty-one percent of the girls served attend Title I schools, which serve students from low-income families. The Organization reaches girls through in-school and after-school programming year-round (in elementary, middle and high schools) and through summer camps. Additional programming sites include juvenile detention centers, community centers, and through other educational partners that include community colleges, public and private universities, and others. Through program evaluation, both at the local and national level, the programs have been proven to change girls’ lives, resulting in significant increases in self-esteem, positive body image, healthy relationships, academic success, preparation for higher education, community activism, interest in STEM (Science, Technology, Engineering & Math) subjects and careers, and financial independence. The Organization is committed to helping girls in Orange County grow up to be strong, smart, and bold.

All programs are designed to meet the girls where they are in their lives and where they need GIOC the most. College and Career, as well as Workforce Development, programming have become two of the most successful and sought after programs in the last few years, as GIOC has expanded to support girls beyond high school and into college and career. This expanded programming is designed to not only get girls into and through college, but also to help them navigate and form a strong network with volunteer mentors and companies. This expansion provides them with an opportunity to be successful after their college graduation and enter the world of work at a faster pace. Summer programs are designed to reach girls through camps with intensive learning around STEM, SEL (social emotional learning), entrepreneurship, and more.

In 2023, the Board of Directors adopted a new strategic plan for 2024-2027, which aims to increase the number of girls served annually from 9,000 to 13,000 girls. The Strategic Plan includes: expansion of programming in more cities by serving more school districts, specifically those designated as Title I schools; creating additional partnerships with corporations and individuals, colleges, and others; strengthening the visibility of GIOC by positioning ourselves as experts in the field of youth development; increasing our donor base by continuing to diversify funding streams; and engaging board members to provide strategic insight and practical support where needed.

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

1. Organization and Mission (continued)

The Girls Inc. national network is comprised of 75 affiliates across the United States and Canada. These affiliates operate in more than 1,600 centers offering core programs to fulfill the vision of empowered girls in an equitable society. The cost of GIOC's annual membership dues is \$12,000. For the years ended December 31, 2025 and 2024, grants and contributions from Girls Inc. National were \$212,578 and \$190,635, respectively.

GIOC funds its operations through fundraising, events, individuals, foundations, and corporate donors with a small percentage of fee-based program revenue.

2. Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The Organization's financial statements have been prepared on the accrual basis of accounting. Accordingly, the Organization recognizes revenues when earned, and contributions, including unconditional promises to give, when received. Expenses are recognized when the obligation is incurred.

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), which require 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

GIOC reflects net assets and revenues, gains, expenses, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets, and changes thereto, are classified and reported as without donor restrictions and with donor restrictions, as follows:

- Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and are available to support general operations. Board-designated amounts are included in net assets without donor restrictions. Any cumulative net investment income from net assets with donor restrictions become unrestricted when appropriated for expenditure by the Board of Directors.

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

- With Donor Restrictions – Net assets that are subject to donor-imposed restrictions that require either the passage of time, the occurrence of a specific event, or that the principal be maintained in perpetuity and invested for the purpose of producing present and future income for unrestricted (without donor restrictions) use by the Organization.

Contributions and Revenue Recognition

GIOC performs an analysis of each contribution, grant or award to determine whether to apply the contributions guidance or exchange transaction guidance depending on whether the transaction is reciprocal or nonreciprocal. This determination may require significant management judgment.

For amounts deemed to be contributions, management determines whether the contribution is restricted or unrestricted and whether it is unconditional or conditional. Unconditional contributions, including promises to give, are recognized when received and are reported as either without donor restrictions or with donor restrictions.

Conditional contributions, including promises to give, contain a right of return or release and a barrier. Revenue is recognized when the condition or conditions are substantially met. Typically, such arrangements also contain a right of return, or a right of release from obligation, and the recipient has limited discretion over how funds transferred should be spent. As such, GIOG recognizes revenue for conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received, or contract assets received, in advance of the incurrence of qualifying expenditures are deferred.

Revenues derived from exchange transactions follow GAAP established for commercial transactions and are recognized as related distinct performance obligations are completed. Certain GIOG program services are deemed to be exchange transactions that are subject to this guidance. Substantially all revenues are recognized over time, as services are provided to customers.

In-kind Contributed Materials and Services

Contributed materials are recorded at fair value where an objective basis is available to measure their value. Such items are capitalized or charged to operations based on their nature.

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

Contributed services are recorded at fair value at the date of donation only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. A substantial number of businesses and unpaid volunteers have made significant contributions of time and use of equipment towards project needs and development, fundraising, and operations.

Cash and Cash Equivalents

GIOC considers cash equivalents to be highly liquid investments with maturities of three months or less when acquired.

Certificate of Deposit

As of December 31, 2024, GIOC held a six-month duration certificate of deposit that was established during July 2024. As of December 31, 2024, the certificate of deposit balance was \$255,779 and was included in investments (current) in the accompanying statement of financial position as of December 31, 2024. The certificate of deposit matured during 2025 and was redeemed.

Inventory

Inventory consists of donated jewelry and other items for future use, and as of December 31, 2025 and 2024, totaled \$43,784 and \$85,686, respectively. During the years ended December 31, 2025 and 2024, \$55,902 and \$116,442, respectively, of donated jewelry was utilized as gifts to donors and monetized through auctions and events.

Property and Equipment

Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, GIOC reports expirations of donor restrictions when the donated or acquired assets are placed in service. GIOC reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets ranging from three to ten years. Leasehold improvements are amortized over the lesser of the asset's useful life or the term of the lease.

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

Deferred Revenue

Contract liabilities – or deferred revenues – are recognized when an exchange transaction occurs and the Organization has not fully satisfied its contractual performance obligations as of the financial reporting date. Deferred revenues at December 31, 2025 and 2024 were \$2,500 and \$28,000, respectively.

Fair Value of Financial Instruments

GAAP defines fair value as 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. GAAP also establishes a framework for measuring fair value and requires disclosures about fair value measurements (Note 4).

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation which is allocated by department, as well as salaries, payroll taxes, employee benefits, professional services, office expenses, and others which are allocated on the basis of estimates of time and effort, as estimated by management.

Income Taxes

GIOC is a qualified nonprofit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue Code. This exemption is for all income taxes except for those assessed on unrelated business income, if any. The Internal Revenue Service has classified GIOC as other than a private foundation.

GIOC evaluates uncertain tax positions whereby the effect of the uncertainty would not be recorded if the tax positions are more likely than not to be sustained upon examination. As of December 31, 2025, management does not believe GIOC has any uncertain tax positions requiring accrual or disclosure. GIOC is subject to potential tax examinations on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

Leases

The Organization determines if an arrangement is a lease at inception. As a lessee, right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization elected a short-term lease exception policy to not apply the recognition requirements of this standard to short-term leases (i.e., leases with terms of 12 months or less) and an accounting policy to account for lease and non-lease components as a single component for certain classes of assets. Operating lease right-of-use assets also include any lease payments made at or before lease commencement and exclude any lease incentives received. The lease terms used to calculate the right-of-use asset and related lease liability include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term as an operating expense.

Recently Issued Accounting Pronouncements

Management has evaluated recent accounting pronouncements for updates required to be adopted in the current period financial statements, as well as for updates that may significantly impact future period financial statements, and has determined that no such pronouncements have, or are expected to have, a material effect on GIOC's financial statements.

3. Pledges and Grants Receivable

Pledges and grants receivable consist of single year promises from individuals, corporations, and foundations, as well as multi-year promises from individual donors and foundations. Receivables expected to be collected in a period greater than one year are discounted at an appropriate rate at the time of the unconditional promise. Management assesses the donors' creditworthiness and history of past collections in selecting an appropriate discount rate on the date of donation.

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

3. Pledges and Grants Receivable (continued)

Expected future collections of pledges and grants receivable at December 31, 2025 are as follows:

<u>Years Ending December 31,</u>	
2026	\$ 281,010
2027	50,000
2028	50,000
	<u>381,010</u>
Less: allowance for doubtful receivables	(7,453)
Less: discount	<u>(7,859)</u>
Pledges and grants receivable, net	365,698
Less: current portion, net	<u>(268,446)</u>
Noncurrent portion, net	<u>\$ 97,252</u>

Allowances for doubtful receivables were \$7,453 and \$20,986 at December 31, 2025 and 2024, respectively.

4. Fair Value Measurements

GAAP establishes a framework for measuring fair value, requires disclosures about fair value measurements and provides a consistent definition of fair value which focuses on an exit price between market participants in an orderly transaction. GAAP also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level 1 include listed equities held in the name of GIOC and exclude listed equities and other securities held indirectly through commingled funds.

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

4. Fair Value Measurements (continued)

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

The following table presents total investments by their type measured at fair value on a recurring basis at December 31, 2025:

	<u>Level 1</u>	<u>Total</u>
Cash, bank sweep and money market funds	\$ 798,756	\$ 798,756
Exchange traded funds	4,545,319	4,545,319
Mutual funds	<u>481,660</u>	<u>481,660</u>
	<u>\$ 5,825,735</u>	<u>\$ 5,825,735</u>

Cash, bank sweep and money market funds: Cash and bank sweeps are valued using the deposited amount, while money market funds are valued based on the net asset value (NAV) of underlying securities that have observable inputs, including quoted prices for similar assets in active or inactive markets. The Organization uses a practical expedient permitting a reporting entity to measure the fair value of certain investments using the net asset value per share (or its equivalent) of the investment.

Mutual funds: These investments are valued at a daily closing price, as reported by the related investment fund manager and are deemed to be actively traded.

Exchange traded funds: These investments are valued using quoted market prices in active markets for identical assets. These quoted prices are based on closing price of the fund as reported on the active exchange on which the fund is traded at the measurement date.

There have been no changes in investment valuation methodologies used by the Organization during the years ended December 31, 2025 and 2024.

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

5. Investments

Investments consist of the following at December 31, 2025 and 2024:

	2025	2024
Cash, bank sweep and money market funds	\$ 798,756	\$ 768,107
Certificate of deposit	-	255,779
Exchange traded funds - fixed income	1,638,286	1,518,823
Exchange traded funds and mutual funds - U.S. equities	2,100,737	1,769,580
Exchange traded funds and mutual funds - Non-U.S. equities	1,087,867	824,514
Exchange traded funds and mutual funds - real assets	200,089	255,892
	\$ 5,825,735	\$ 5,392,695

As of December 31, 2025 and 2024, board-designated investments totaled \$2,384,872 and such amounts are presented as noncurrent assets.

Net investment returns consist of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Dividends and interest	\$ 165,478	\$ 164,841
Realized gains, net	87,475	43,458
Unrealized gains, net	466,759	249,544
	719,712	457,843
Less: investment fees	(24,001)	(21,948)
	\$ 695,711	\$ 435,895

Investments are exposed to various risks, such as interest rate, market and credit risk. Risk is managed through frequent monitoring of macroeconomic conditions and investment valuations, and communication with investment managers and adherence to a board-approved asset allocation policy. It is at least reasonably possible that changes in the near term could materially affect the amounts reported in the financial statements.

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

6. Property and Equipment

Property and equipment, net consisted of the following at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Furniture and equipment	\$ 165,457	\$ 157,698
Website upgrade	10,000	10,000
Leasehold improvements	8,092	8,092
	<u>183,549</u>	<u>175,790</u>
Less: accumulated depreciation	<u>(161,009)</u>	<u>(128,868)</u>
	<u>\$ 22,540</u>	<u>\$ 46,922</u>

Depreciation expense for the years ended December 31, 2025 and 2024 totaled \$32,141 and \$27,845, respectively.

7. Fundraising Events

GIOC regularly conducts fundraising events to assist in funding program operations. All revenue received in excess of expenses from such events is used for current program operations. The costs that are direct benefits to the donors are included in the “Costs of direct benefits to donors” in the accompanying statements of activities and changes in net assets.

The revenues and expenses of fundraising events are as follows for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Gross revenue	\$ 951,546	\$ 989,742
Direct donor benefits	<u>(299,238)</u>	<u>(453,227)</u>
	<u>\$ 652,308</u>	<u>\$ 536,515</u>

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

8. In-kind Contributions

GIOC received donated jewelry, services, materials and supplies during the years ended December 31, 2025 and 2024 as follows:

	2025	2024
Jewelry	\$ -	\$ 202,128
Services	20,500	-
Other materials and supplies	215,454	148,621
	\$ 235,954	\$ 350,749

GIOC follows ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. Jewelry consists of donated goods ready for use and is valued at estimated fair value on the date of donation. If monetized, the contribution is adjusted to reflect the actual monetized amount.

9. Net Assets with Donor Restrictions

Net assets with donor restrictions activity at December 31, 2025 consists of the following:

	Net Assets with Donor Imposed Time Restrictions	Net Assets with Donor Imposed Purpose Restrictions	Total Net Assets with Donor Restrictions
Beginning balance	\$ 10,000	\$ 1,170,040	\$ 1,180,040
Contributions	-	803,950	803,950
Releases	(10,000)	(1,180,628)	(1,190,628)
Ending balance	\$ -	\$ 793,362	\$ 793,362
Purpose restrictions:			
College and Career Pipeline		\$ 349,872	
Project Accelerate		88,990	
Elementary		120,000	
Sponsorships		105,000	
School Based Programming		30,000	
Board Dues		7,500	
Scholarships		92,000	
		\$ 793,362	

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

9. Net Assets with Donor Restrictions (continued)

Net assets with donor restrictions activity at December 31, 2024 consists of the following:

	Net Assets with Donor Imposed Time Restrictions	Net Assets with Donor Imposed Purpose Restrictions	Total Net Assets with Donor Restrictions
Beginning balance	\$ 30,000	\$ 1,070,739	\$ 1,100,739
Contributions	-	899,273	899,273
Releases	(20,000)	(799,972)	(819,972)
Ending balance	\$ 10,000	\$ 1,170,040	\$ 1,180,040
Purpose restrictions:			
Girls Meet the Workforce		\$ 579,667	
Elementary		240,000	
STEM- Imagine Science/Eureka!		142,916	
Project Accelerate		125,957	
Sponsorships		55,000	
Teens		15,000	
College Bound		11,500	
		\$ 1,170,040	

Certain amounts included above as Net Assets with Donor Imposed Purpose Restrictions are also time restricted as such amounts are due to be collected in future periods.

10. Lease

GIOC has a non-cancelable lease agreement for its office building located in Santa Ana, California. On January 10, 2025 GIOC entered into a third amendment to extend the term for three years with a maturity date of June 30, 2028. Beginning on July 1, 2025, the new monthly base rent will be \$5,546 with 3% escalation on every subsequent July 1st. Operating lease expense for the years ended December 31, 2025 and 2024 totaled \$65,632 and \$61,377, respectively. Cash paid related to lease liabilities was \$64,914 and \$62,352 for the years ended December 31, 2025 and 2024, respectively. The incremental borrowing rate used to measure the operating lease liability was 11.25%.

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

10. Lease (continued)

The maturities of the operating lease liability as of December 31, 2025 are as follows:

<u>Year Ending December 31,</u>	
2026	\$ 67,548
2027	69,576
2028	<u>35,304</u>
Total lease payments	172,428
Less: imputed interest	<u>(22,980)</u>
Total lease liability	<u>\$ 149,448</u>

The current portion of the lease liability is included in accounts payable and accrued expenses in the statement of financial position.

11. Commitments and Contingencies

Concentration of Credit Risk

GIOC maintains cash and cash equivalents in a financial institution which may, at times, exceed FDIC insured maximum deposit insurance amount of \$250,000.

GIOC operates in Southern California and is subject to fluctuations in the local economy which could impact contributions, specifically grants and donations.

Retirement Plan

GIOC adopted a SIMPLE IRA plan in 1998. Eligible employees who are below age 50 may contribute a percentage of their salary, up to \$16,000 per annum. Employees who are age 50 and over, may contribute up to \$19,500 per annum. GIOC may match their contributions up to the lesser of 3% of their annual salary or \$6,000. Matching contributions for the years ended December 31, 2025 and 2024 were \$33,927 and \$37,839, respectively.

On February 10, 2026, the Organization's Management authorized the adoption of a new defined contribution 403(b) plan effective May 15, 2026, which will replace the SIMPLE IRA plan. The Plan covers substantially all employees, allowing for voluntary salary deferrals and employer matching up to 3%. GIOC estimates that the adoption of this plan will result in an increase in employee benefit expenses for the upcoming year.

Girls Inc. of Orange County

Notes to Financial Statements (continued) For the Years Ended December 31, 2025 and 2024

12. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, comprise the following:

	<u>2025</u>	<u>2024</u>
Total current financial assets:		
Cash and cash equivalents	\$ 1,352,730	\$ 1,090,694
Investments	3,440,863	3,007,823
Pledges and grants receivable, net	268,446	633,649
	<u>5,062,039</u>	<u>4,732,166</u>
Less:		
Deferred revenue	(2,500)	(28,000)
Donor-imposed restrictions	(696,110)	(1,103,697)
	<u>(698,610)</u>	<u>(1,131,697)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,363,429</u>	<u>\$ 3,600,469</u>

Given current macroeconomic uncertainties, GIOC has elected to maintain liquidity levels at amounts in excess of historical levels. GIOC also maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. Net proceeds received from the sale of its office facilities in March 2020 totaling \$2,384,872 have been designated by the board of directors for investment. However, in the case of need, the board of directors could appropriate such resources for general expenditures.

13. Subsequent Events

GIOC has evaluated events and transactions for potential recognition or disclosure through April 27, 2026, which represents the date the financial statements were available to be issued.