

GIRLS INCORPORATED OF NEW YORK CITY

Financial Statements
with Independent Auditor's Report

June 30, 2025 and 2024

**GALLEROS ROBINSON
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

GIRLS INCORPORATED OF NEW YORK CITY

JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Girls Incorporated of New York City

Opinion

We have audited the accompanying financial statements of Girls Incorporated of New York City, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 Girls Incorporated of New York City as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Girls Incorporated of New York City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Girls Incorporated of New York City as of June 30, 2024 were audited by other auditors whose report dated December 19, 2024 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Girls Incorporated of New York City's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 Girls Incorporated of New York City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Girls Incorporated of New York City'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.

GIRLS INCORPORATED OF NEW YORK CITY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

ASSETS	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and cash equivalents	\$ 126,966	\$ 290,943
Grants and other receivables	1,512,974	1,151,874
Investments	90,180	10,032
Prepaid expenses	11,999	-
Total Current Assets	<u>1,742,119</u>	<u>1,452,849</u>
Noncurrent Assets		
Property, equipment and software, net	<u>216,907</u>	<u>283,466</u>
Total Assets	<u>\$ 1,959,026</u>	<u>\$ 1,736,315</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 90,166	\$ 180,941
Accrued payroll and related liabilities	14,423	12,549
Line of credit	374,380	250,000
Total Liabilities	<u>478,969</u>	<u>443,490</u>
Net Assets		
Without donor restrictions	1,280,057	1,033,544
With donor restrictions	200,000	259,281
Total Net Assets	<u>1,480,057</u>	<u>1,292,825</u>
Total Liabilities and Net Assets	<u>\$ 1,959,026</u>	<u>\$ 1,736,315</u>

See notes to financial statements.

GIRLS INCORPORATED OF NEW YORK CITY

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Contributions and grants	\$ 3,742,211	\$ 250,000	\$ 3,992,211	\$ 2,917,658	\$ 150,000	\$ 3,067,658
Government grants	1,813,911	-	1,813,911	1,951,326	109,281	2,060,607
Service revenue	79,500	-	79,500	79,000	-	79,000
Special events, net of special event direct expenses	530,847	-	530,847	471,100	-	471,100
Other events, net of direct expenses	39,489	-	39,489	(8,531)	-	(8,531)
Investment income	21,550	-	21,550	5,310	-	5,310
Other income	11,297	-	11,297	-	-	-
Net assets released from restrictions	309,281	(309,281)	-	475,000	(475,000)	-
Total Revenues and Support	6,548,086	(59,281)	6,488,805	5,890,863	(215,719)	5,675,144
EXPENSES						
Program services	4,842,422	-	4,842,422	4,715,743	-	4,715,743
Management and general	494,838	-	494,838	433,342	-	433,342
Fundraising	964,313	-	964,313	830,788	-	830,788
Total Expenses	6,301,573	-	6,301,573	5,979,873	-	5,979,873
CHANGE IN NET ASSETS	246,513	(59,281)	187,232	(89,010)	(215,719)	(304,729)
NET ASSETS, BEGINNING OF YEAR	1,033,544	259,281	1,292,825	1,122,554	475,000	1,597,554
NET ASSETS, END OF YEAR	\$ 1,280,057	\$ 200,000	\$ 1,480,057	\$ 1,033,544	\$ 259,281	\$ 1,292,825

See notes to financial statements.

GIRLS INCORPORATED OF NEW YORK CITY

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 3,129,383	\$ 307,909	\$ 401,970	\$ 3,839,262	\$ 3,036,666	\$ 307,275	\$ 446,959	\$ 3,790,900
Payroll taxes and employee benefits	<u>575,509</u>	<u>56,626</u>	<u>73,925</u>	<u>706,060</u>	<u>594,291</u>	<u>55,685</u>	<u>85,676</u>	<u>735,652</u>
	3,704,892	364,535	475,895	4,545,322	3,630,957	362,960	532,635	4,526,552
Professional fees and consultants	312,542	25,739	392,613	730,894	351,288	19,302	222,816	593,406
Program direct expenses	411,928	-	-	411,928	291,860	-	-	291,860
Depreciation and amortization	90,971	8,952	11,686	111,609	95,849	9,698	14,108	119,655
Occupancy	84,284	7,199	9,398	100,881	108,630	7,216	10,496	126,342
Office expenses	62,463	5,085	28,879	96,427	6,964	750	10,400	18,114
Meals and meetings	65,275	2,708	18,081	86,064	75,781	2,103	9,816	87,700
Information technology	50,830	5,002	6,529	62,361	43,964	4,449	6,471	54,884
National dues and subscriptions	3,029	12,298	18,322	33,649	13,981	201	18,678	32,860
Scholarships and related costs	33,550	-	-	33,550	60,000	-	-	60,000
Insurance	22,658	2,229	2,910	27,797	36,469	3,690	5,368	45,527
Bank and finance fees	-	26,516	-	26,516	-	5,055	-	5,055
Audit fees	-	19,575	-	19,575	-	17,918	-	17,918
Bad debt expense	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>\$ 4,842,422</u>	<u>\$ 494,838</u>	<u>\$ 964,313</u>	<u>\$ 6,301,573</u>	<u>\$ 4,715,743</u>	<u>\$ 433,342</u>	<u>\$ 830,788</u>	<u>\$ 5,979,873</u>

See notes to financial statements.

GIRLS INCORPORATED OF NEW YORK CITY**STATEMENTS OF CASH FLOWS****YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 187,232	\$ (304,729)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Unrealized gains	(19,690)	(104)
Bad debt expense	15,000	-
Depreciation and amortization	111,609	119,655
Stock donations	(156,157)	(25,428)
Increase in assets		
Grants and other receivables	(376,100)	(493,519)
Prepaid expenses	(11,999)	-
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(90,775)	(18,188)
Accrued payroll and related liabilities	<u>1,874</u>	<u>-</u>
Net cash used for operating activities	<u>(339,006)</u>	<u>(722,313)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	95,699	455,416
Purchase of software	(45,050)	(66,599)
Purchases of investments	<u>-</u>	<u>(26,733)</u>
Net cash from investing activities	<u>50,649</u>	<u>362,084</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Line of credit advances	374,380	250,000
Payment for line of credit	<u>(250,000)</u>	<u>-</u>
Net cash from financing activities	<u>124,380</u>	<u>250,000</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(163,977)	(110,229)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>290,943</u>	<u>401,172</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 126,966</u>	<u>\$ 290,943</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	\$ 20,093	\$ 2,620

See notes to financial statements.

GIRLS INCORPORATED OF NEW YORK CITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

1. ORGANIZATION AND NATURE OF ACTIVITIES

Girls Incorporated of New York City ("GINYC") is a non-profit organization dedicated to inspiring all New York City girls to be strong, smart and bold. The primary emphasis of GINYC is reaching girls of New York City, ages 6-21+, in low-income communities and schools, through partnerships and direct service programs. GINYC advocates for gender equity on behalf of all girls.

GINYC is an independent affiliate of Girls Incorporated®, a national youth organization.

GINYC is primarily supported by contributions and grants from government agencies, foundations, corporations and individuals.

GINYC is a not-for-profit organization organized in 1999 under the laws of the State of New York that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements of GINYC have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require GINYC to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of GINYC. These net assets may be used at the discretion of GINYC's management and the board of directors.

Net assets with donor restrictions. Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of GINYC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

GIRLS INCORPORATED OF NEW YORK CITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Fair value is defined 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. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

- Level 1 Valuations based on quoted prices for identical assets and liabilities in active markets.
- Level 2 Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 Valuations based on unobservable inputs reflecting GINYC's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Management estimates the fair value of receivables, accounts payable and accrued expenses approximate carrying value due to short maturity of these instruments.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments

Investments are stated at the readily determinable fair value in accordance with the Not-for-Profit Entities topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). All interest, dividends and realized and unrealized gains and losses are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investments for which fair value is measured using net asset value per share as a practical expedient have not been categorized within the fair value hierarchy.

Dividends and interest income are recognized when earned and realized capital gains or losses are recognized upon the sale of the security using the trade-date basis.

GIRLS INCORPORATED OF NEW YORK CITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Receivables, Advances and Government Grants Revenue

Government grants are recorded as revenues without donor restrictions to the extent that expenses have been incurred for the purposes specified by the grantors. Government grants are recognized as GINYC meets the conditions prescribed by the grant and incurs eligible expenses under the grant. As the conditions are met, GINYC simultaneously releases the government grants and reflects them as without donor restrictions. To the extent monies received exceed eligible expenses, GINYC records refundable advances. When the eligible expenses exceed the monies received, GINYC records grants receivable. Grant activities and outlays are subject to audit and acceptance by the granting agencies and, as a result of such audits, adjustments could be required.

Pursuant to GINYC's contractual relationships with certain governmental funding sources, governmental agencies have the right to examine the books and records of GINYC involving transactions relating to these contracts. The accompanying financial statements make no provision for possible disallowances.

Allowance for Credit Losses

GINYC records an allowance for credit losses based upon a periodic review of the accounts by management. The allowance estimate is derived from a review of the GINYC's historical losses based on the aging of receivables. Factors used to determine whether an allowance should be recorded include management's assessment of the creditworthiness of its debtors, the age of the receivable, a review of payments subsequent to year-end, as well as current economic conditions and historical information.

During the year ended June 30, 2025, management wrote off grants and other receivables totaling \$15,000 that were determined to be uncollectible. Management has determined that no allowance for credit losses is necessary at June 30, 2025 and 2024, respectively.

Property, Equipment and Software

Property, equipment, and software are stated at cost or fair value if donated, less accumulated depreciation or amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred, while costs of renewals and improvements that extend the useful life of an asset are capitalized.

The estimated useful lives of property, equipment, and software are as follows:

	<u>Estimated Useful Lives</u>
Computer equipment	3 - 5 years
Furniture	3 years
Software	5 years

GIRLS INCORPORATED OF NEW YORK CITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property, Equipment and Software - Continued

GINYC capitalizes software costs when the asset has a useful life of more than one year. Capitalized software costs primarily relate to internally developed software and mobile applications used to support GINYC's programmatic activities. These costs consist mainly of third-party developer fees incurred during the application development stage. Costs related to preliminary project activities, training, maintenance, and content updates are expensed as incurred.

Contributions

The value recorded for each contribution or grant is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts and grants, with or without donor restrictions</i>	
Gifts and grants that depend on GINYC overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i. e., the donor-imposed barrier is met
<i>Unconditional gifts and grants, with or without donor restrictions</i>	
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Expected to be collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method.

When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

GIRLS INCORPORATED OF NEW YORK CITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Accounted for as Contracts with Customers (Topic 606):

Service revenue consists of providing professional development workshops, curriculum training, and youth development programs to educators, school staff, students, and organizations and is recognized when it satisfies its performance obligation. Management has concluded that GINYC's performance obligation is satisfied over time as services are rendered and invoiced. Invoices are generally due within 30 days of the invoice date, therefore, GINYC has determined that there is no significant financing component. The fees are recorded to the extent it is probable a significant reversal will not occur. Any fees and deposits collected in advance are deferred until the performance obligation has been completed. No amounts have been received in advance as of June 30, 2025 and 2024.

Donated Assets and Services

Donated assets and services are recorded at the estimated fair value at the date of donation. Donated assets are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Contributions of services are recognized if the services received create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the years ended June 30, 2025 and 2024, GINYC received in-kind donations in the amount of \$156,157 and \$25,428, consisting primarily of donated stocks.

Functional Allocation of Expenses

The costs of the program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses that are allocated include the following:

Expense	Methodology
Salaries	Time and effort
Payroll taxes and employee benefits	Time and effort
Professional fees and consultants	Direct usage, time and effort, and full-time equivalent
Depreciation and amortization	Full-time equivalent
Occupancy	Direct usage and full-time equivalent
Office expenses	Direct usage and full-time equivalent
Meals and meetings	Direct usage, and full-time equivalent
Information technology	Full-time equivalent
National dues and subscriptions	Direct usage and full-time equivalent
Insurance	Full-time equivalent

GIRLS INCORPORATED OF NEW YORK CITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounting for Uncertainty in Income Taxes

GINYC recognizes the effect of income tax positions only if those positions are more-likely-than-not be sustained upon examination by taxing authorities. Management has determined that GINYC had no uncertain tax positions that would require financial statement recognition. GINYC is no longer subject to audits by the applicable taxing jurisdictions for periods prior to 2022. Currently, there are no audits in progress.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. The reclassifications have no effect on the reported net assets and changes in net assets.

Subsequent Events

GINYC has evaluated subsequent events through DATE, which is the date the financial statements were available to be issued.

3. CONCENTRATIONS

Financial instruments that potentially subject GINYC to concentrations of credit risk consist primarily of cash and cash equivalents held in financial institutions. GINYC maintains its cash and cash equivalent balances in high-credit-quality financial institutions. From time to time, such balances may exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000. GINYC has not experienced any losses in such accounts and believes it is not exposed to significant credit risk related to these balances.

Also, for the years ended June 30, 2025 and 2024, GINYC received approximately 52% and 64%, respectively, of its total revenue and support from grant awards and contracts with New York City and from seven and four other donors, respectively. As of June 30, 2025 and 2024, approximately 63% and 58%, respectively, of accounts receivable were due from New York City and three other organizations.

4. GRANTS AND OTHER RECEIVABLES

Based on past history and assessment of the donors involved, GINYC expects all of the grants and other receivables to be collected as promised. Therefore, no allowance for credit losses has been established. During the year ended June 30, 2025, management wrote off grants and other receivables totaling \$15,000 that were determined to be uncollectible. As of June 30, 2025 and 2024, all outstanding receivables are expected to be collected within one year.

GIRLS INCORPORATED OF NEW YORK CITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following table presents assets measured at fair value on a recurring basis at June 30, 2025 and 2024:

	2025		
	Level 1	Level 2	Total
Closed-end funds and exchange traded products	\$ 56,944	\$ -	\$ 56,944
Common stocks	14,819	-	14,819
Mutual funds	5,843	-	5,843
Government securities	-	12,574	12,574
Investments at fair value	<u>\$ 77,606</u>	<u>\$ 12,574</u>	<u>\$ 90,180</u>

	2024		
	Level 1	Level 2	Total
Common stocks	<u>\$ 10,032</u>	<u>\$ -</u>	<u>\$ 10,032</u>

GINYC determined the fair value of the investments using the published closing price on the last business day of the year. Investment income for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Interest and dividends	\$ 531	\$ 5,206
Realized gains	1,329	147
Unrealized gains (losses)	<u>19,690</u>	<u>(43)</u>
	<u>\$ 21,550</u>	<u>\$ 5,310</u>

6. PROPERTY, EQUIPMENT AND SOFTWARE, NET

Property, equipment and software consist of the following at June 30, 2025 and 2024:

	2025	2024
Computer equipment	\$ 47,165	\$ 47,165
Furniture	2,410	2,410
Software	<u>878,659</u>	<u>833,609</u>
	928,234	883,184
Less: Accumulated depreciation and amortization	<u>711,327</u>	<u>599,718</u>
	<u>\$ 1,639,561</u>	<u>\$ 1,482,902</u>

Depreciation and amortization expense for the years ended June 30, 2025, and 2024 is \$111,609 and \$119,655, respectively.

GIRLS INCORPORATED OF NEW YORK CITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as of June 30, 2025, and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Accounts payable	\$ 39,129	\$ 163,941
Accrued expenses	<u>51,037</u>	<u>17,000</u>
	<u>\$ 90,166</u>	<u>\$ 180,941</u>

8. LINE OF CREDIT

As of June 30, 2024, GINYC had a line of credit arrangements with a bank. It permitted borrowings up to \$250,000. The line was subsequently closed and then replaced with a new credit line.

In August 2024, GINYC entered into a line of credit agreement with a bank, providing for borrowings up to \$500,000. The line of credit bears interest at a variable rate equal to the prime rate plus 1.96% per annum. In the event of default, the interest rate may increase to prime rate plus 4.96% per annum at the bank's discretion. As of June 30, 2025, the applicable interest rate on the line of credit was 9.46%.

The line of credit is secured with GINYC's cash and cash equivalents, investments and equipment, and shall be payable monthly, beginning on September 8, 2024. Interest is computed on a 360-day year basis and is subject to a legal maximum rate cap.

As of June 30, 2025 and 2024, GINYC's unused line of credit amounted to \$125,620 and \$0, respectively.

9. NET ASSETS WITH DONOR RESTRICTIONS

Activity for net assets with donor restrictions during the years ended June 30, 2025 and 2024 are as follows:

Restriction	Restricted Purpose	<u>2025</u>			
		Beginning Balance	Support and Revenue	Released from Restrictions	Ending Balance
Time	None	\$ 150,000	\$ -	\$ (150,000)	\$ -
Time and purpose	To support the continued employment of existing staff	109,281	-	(109,281)	-
Time and purpose	Mental Health: Mind Body Matters	-	150,000	-	150,000
Time and purpose	Project Accelerate	-	100,000	-	100,000
Total		<u>\$ 259,281</u>	<u>\$ 250,000</u>	<u>\$ (259,281)</u>	<u>\$ 250,000</u>

GIRLS INCORPORATED OF NEW YORK CITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

9. NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

Restriction	Restricted Purpose	2024			
		Beginning Balance	Support and Revenue	Released from Restrictions	Ending Balance
Time	None	\$ 350,000	\$ 150,000	\$ (350,000)	\$ 150,000
Time and purpose	To support the continued employment of existing staff	-	109,281	-	109,281
Time and purpose	To support the Mind and Body Program	125,000	-	(125,000)	-
Total		<u>\$ 475,000</u>	<u>\$ 259,281</u>	<u>\$ (475,000)</u>	<u>\$ 259,281</u>

10. LEASE COMMITMENT

Total rent expense for the years ended June 30, 2025 and 2024 were \$89,760 and \$89,020, respectively.

In August 2022, Girls Inc. of New York City (“GINYC”) entered into a shared space license agreement for office space located at 25 Broadway, New York City. The initial term of the agreement was from August 1, 2022 through July 31, 2023, at a monthly license fee of \$5,010. Following the initial term, the agreement became cancellable by either party upon thirty (30) days written notice.

In March 2023, GINYC expanded its use of the space, resulting in an increase in the monthly license fee to \$7,680, effective June 2023.

In March 2024, GINYC re-entered into a license agreement for the same office space for an initial term from March 1, 2024 through May 31, 2024, at a monthly license fee of \$7,480. Upon expiration of the initial term, the agreement continued on a month-to-month basis and may be terminated by either party with thirty (30) days written notice.

11. RETIREMENT PLAN

On September 15, 2016, GINYC established a defined contribution retirement plan, established under Section 403(b) of the IRC. Employees who have completed 30 days of service may elect to contribute to this plan. GINYC’s Board may elect to make discretionary contributions to the plan. No employer contribution was made to the plan during the fiscal years ended June 30, 2025 and 2024.

GIRLS INCORPORATED OF NEW YORK CITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

12. LIQUIDITY AND AVAILABILITY

GINYC's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	2025	2024
Cash and cash equivalents	\$ 126,966	\$ 290,943
Grants and other receivables	1,512,974	1,151,874
Investments	<u>90,180</u>	<u>10,032</u>
Total financial assets	1,730,120	1,452,849
Less: amounts not available to be used within one year		
Donor restricted net assets	<u>200,000</u>	<u>259,281</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,530,120</u>	<u>\$ 1,193,568</u>

As part of its liquidity management, GINYC has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses. GINYC's goal is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

13. SPECIAL AND OTHER EVENTS

GINYC held special and other events during the years ended June 30, 2025, and 2024. Details are as follows:

	2025		
	Revenue	Less: Direct Expenses	Income (Loss)
Lifting Girls Up Gala and College Shower	\$ 852,340	\$ 321,493	\$ 530,847
Marathon	<u>46,033</u>	<u>6,544</u>	<u>39,489</u>
	<u>\$ 898,373</u>	<u>\$ 328,037</u>	<u>\$ 570,336</u>
	2024		
	Revenue	Less: Direct Expenses	Income (Loss)
Lifting Girls Up Gala and College Shower	\$ 758,024	\$ 286,924	\$ 471,100
Marathon	<u>22,605</u>	<u>31,136</u>	<u>(8,531)</u>
	<u>\$ 780,629</u>	<u>\$ 318,060</u>	<u>\$ 462,569</u>