

**GIRLS INC. OF GREATER PHILADELPHIA
& SOUTHERN NEW JERSEY**

FINANCIAL STATEMENTS

(AND INDEPENDENT AUDITOR'S REPORT)

YEARS ENDED JUNE 30, 2025 AND 2024



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Independent Auditor's Report

To the Board of Directors of
Girls Inc. of Greater Philadelphia & Southern New Jersey
Philadelphia, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Girls Inc. of Greater Philadelphia & Southern New Jersey (a nonprofit organization), 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 present fairly, in all material respects, the financial position of Girls Inc. of Greater Philadelphia & Southern New Jersey 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 and, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Inc. of Greater Philadelphia & Southern New Jersey 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 opinions.

Prior Period Financial Statements

The financial statements of Girls Inc. of Greater Philadelphia & Southern New Jersey as of June 30, 2024 were audited by other auditors whose report dated January 15, 2026 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 Inc. of Greater Philadelphia & Southern New Jersey'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, and *Government 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, and *Government 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 Inc. of Greater Philadelphia & Southern New Jersey'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 Inc. of Greater Philadelphia & Southern New Jersey'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.



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026, on our consideration of Girls Inc. of Greater Philadelphia & Southern New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Girls Inc. of Greater Philadelphia & Southern New Jersey's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Girls Inc. of Greater Philadelphia & Southern New Jersey's internal control over financial reporting and compliance.

Isdaner & Company LLC

January 15, 2026

 ISDANER & COMPANY_{LLC}

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GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

ASSETS

| | <u>2025</u> | <u>2024</u> |
|---------------------------------------|---------------------|---------------------|
| Current assets: | | |
| Cash | \$ 667,029 | \$ 725,711 |
| Grants and contributions receivable | 609,066 | 481,013 |
| Prepaid expenses and other assets | 36,068 | 28,958 |
| Right of use asset - operating leases | 165,720 | 142,766 |
| Investments | <u>1,497,976</u> | <u>1,338,783</u> |
| Total current assets | 2,975,859 | 2,717,231 |
| Property and equipment, net | <u>78,684</u> | <u>129,579</u> |
| Total assets | <u>\$ 3,054,543</u> | <u>\$ 2,846,810</u> |

LIABILITIES AND NET ASSETS

| | | |
|---------------------------------------|---------------------|---------------------|
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 65,591 | \$ 38,024 |
| Current operating lease liabilities | <u>133,676</u> | <u>110,100</u> |
| Total current liabilities | 199,267 | 148,124 |
| Long term operating lease liabilities | <u>75,784</u> | <u>119,357</u> |
| Total liabilities | <u>275,051</u> | <u>267,481</u> |
| Net assets: | | |
| Without donor restrictions | 2,303,405 | 2,072,726 |
| With donor restrictions | <u>476,087</u> | <u>506,603</u> |
| | <u>2,779,492</u> | <u>2,579,329</u> |
| Total liabilities and net assets | <u>\$ 3,054,543</u> | <u>\$ 2,846,810</u> |

The accompanying notes are an integral part of these statements.

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY
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 |
| Support and revenue: | | | | | | |
| Government grants and contracts | \$ 1,269,497 | \$ - | \$ 1,269,497 | \$ 927,310 | \$ - | \$ 927,310 |
| Contributions: | | | | | | |
| Corporations | 77,451 | 106,560 | 184,011 | 68,579 | 32,461 | 101,040 |
| Foundations | 100,544 | 73,941 | 174,485 | 53,503 | 201,800 | 255,303 |
| Individuals | 150,011 | 45,000 | 195,011 | 144,380 | 31,191 | 175,571 |
| Other | 226,820 | 170,950 | 397,770 | 119,058 | 235,000 | 354,058 |
| Contributed nonfinancial assets | 154,423 | - | 154,423 | 151,559 | - | 151,559 |
| Special events (net of special event costs of \$79,662 in 2025 and \$59,325 in 2024) | 116,021 | - | 116,021 | 118,815 | - | 118,815 |
| Net investment income | 108,201 | - | 108,201 | 110,149 | - | 110,149 |
| Net assets released from restriction | 426,967 | (426,967) | - | 571,879 | (571,879) | - |
| Total support and revenue | 2,629,935 | (30,516) | 2,599,419 | 2,265,232 | (71,427) | 2,193,805 |
| Expenses: | | | | | | |
| Program services | 2,042,326 | - | 2,042,326 | 1,708,126 | - | 1,708,126 |
| Management and general | 265,737 | - | 265,737 | 243,961 | - | 243,961 |
| Fundraising | 91,193 | - | 91,193 | 48,262 | - | 48,262 |
| | 2,399,256 | - | 2,399,256 | 2,000,349 | - | 2,000,349 |
| Change in net assets | 230,679 | (30,516) | 200,163 | 264,883 | (71,427) | 193,456 |
| Net assets at beginning of year | 2,072,726 | 506,603 | 2,579,329 | 1,807,843 | 578,030 | 2,385,873 |
| Net assets at end of year | \$ 2,303,405 | \$ 476,087 | \$ 2,779,492 | \$ 2,072,726 | \$ 506,603 | \$ 2,579,329 |

The accompanying notes are an integral part of these statements.

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY
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 and benefits | \$ 1,315,961 | \$ 187,393 | \$ 61,624 | \$ 1,564,978 | \$ 1,158,781 | \$ 163,593 | \$ 40,897 | \$ 1,363,271 |
| Salaries and program facilitator fees - donated | 147,923 | 6,500 | - | 154,423 | 151,559 | - | - | 151,559 |
| Depreciation | 62,343 | 8,801 | 2,201 | 73,345 | 59,350 | 8,379 | 2,095 | 69,824 |
| Dues | 246 | 12,023 | 2,387 | 14,656 | 12,071 | 1,704 | 426 | 14,201 |
| Insurance | 22,418 | 2,648 | 1,014 | 26,080 | 18,770 | 2,650 | 662 | 22,082 |
| Marketing | 818 | 2,544 | - | 3,362 | - | 1,960 | 1,315 | 3,275 |
| Occupancy | 70,846 | 11,387 | 4,314 | 86,547 | 58,181 | 8,214 | 2,053 | 68,448 |
| Office expenses | 15,006 | 3,001 | 1,168 | 19,175 | 11,591 | 1,636 | 410 | 13,637 |
| Professional fees | 26,763 | 29,985 | 18,485 | 75,233 | 11,470 | 37,320 | 404 | 49,194 |
| Program supplies | 379,134 | 825 | - | 379,959 | 203,643 | - | - | 203,643 |
| Miscellaneous | 868 | 630 | - | 1,498 | 22,710 | 18,505 | - | 41,215 |
| Total expenses | <u>\$2,042,326</u> | <u>\$ 265,737</u> | <u>\$ 91,193</u> | <u>\$2,399,256</u> | <u>\$1,708,126</u> | <u>\$ 243,961</u> | <u>\$ 48,262</u> | <u>\$2,000,349</u> |

The accompanying notes are an integral part of these statements.

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY

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 | \$ 200,163 | \$ 193,456 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation | 73,345 | 69,824 |
| Net realized and unrealized gain on investments | 71,028 | (74,058) |
| Changes in operating assets: | | |
| Grants and contributions receivable | (128,053) | 126,148 |
| Prepaid expenses and other assets | (7,110) | 16,278 |
| Right of use asset - operating leases | (22,954) | 36,088 |
| Changes in operating liabilities: | | |
| Accounts payable and accrued expenses | 27,567 | 7,218 |
| Refundable advance | - | (12,629) |
| Operating lease liabilities | (19,997) | (79,433) |
| Net cash provided by operating activities | <u>193,989</u> | <u>282,892</u> |
| Cash flows from investing activities | | |
| Purchase of investments | (1,063,951) | (317,752) |
| Sale of investments | 833,730 | 282,090 |
| Purchases of property and equipment | <u>(22,450)</u> | <u>(14,872)</u> |
| Net cash used in investing activities | <u>(252,671)</u> | <u>(50,534)</u> |
| Net increase (decrease) in cash | (58,682) | 232,358 |
| Cash at beginning of year | <u>725,711</u> | <u>493,353</u> |
| Cash at end of year | <u>\$ 667,029</u> | <u>\$ 725,711</u> |
| Non-cash investing and financing activity: | | |
| Right-of-use assets and lease liability recognition | <u>\$ 95,958</u> | <u>\$ 24,309</u> |

The accompanying notes are an integral part of these statements.

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(1) NATURE OF ACTIVITIES

Girls Inc. of Greater Philadelphia & Southern New Jersey ("Girls Inc." or the "Organization") is a 501(c)(3) nonprofit organization founded in 1961. Its mission is to inspire all girls to be strong, smart and bold through direct service and advocacy. In partnership with schools and at our Girls Inc. center, they focus on the development of the whole girl. She learns to value herself, take risks and discover and develop her inherent strengths. The combination of long-lasting mentoring relationships, a pro-girl environment and research-based programming equips girls to navigate gender, economic and social barriers, and grow up healthy, educated and independent. Girls Inc.'s programs include:

STRONG

- Girls Inc. Friendly PEERsuasion builds girls' skills for resisting pressure to use harmful substances such as alcohol, tobacco, household chemicals and other drugs.
- Girls Inc. Healthy Sexuality assists girls in understanding and embracing sexuality with a positive, empowered approach that is built on a foundation of accurate information, cultural sensitivity and values of inclusiveness and respect.
- Girls Inc. Sporting Chance builds movement and athletic skills, cooperative and competitive spirit, health awareness and interest in all sports as girls explore the benefits of an active lifestyle.
- Girls Inc. Media Literacy encourages girls to think critically about media messages and fosters their awareness of the power of the media and its effects on girls.

SMART

- Girls Inc. Early Literacy initiative is designed to help increase literacy rates, testing scores and foster a lifelong love of reading for participants in grades K-3.
- Girls Inc. Economic Literacy introduces girls to basic economic and financial concepts, including money management, investments and global economics.
- Girls Inc. Operation SMART builds girls' skills and interest in science, technology, engineering and mathematics.
- All Girls Inc. SMART programs are Pennsylvania Educational Improvement Tax Credit ("EITC") qualified.

BOLD

- Girls Inc. Project BOLD strengthens girls' abilities to lead safer lives by developing strategies for self-defense, seeking out caring adults to help with personal violence, and advocating on violence issues.
- Girls Inc. Leadership and Community Action builds leadership skills and creates lasting social change by partnering girls and women in community action projects chosen by girls.
- Girls Inc. Career Exploration introduces girls to a board range of career options and professionals in those careers.

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Girls Inc. subscribes to a policy of equal opportunity. Employment at Girls Inc. and admission to the programs is open to all qualified persons without regard to race, color, religion, national origin, citizenship, gender, sexual orientation, pregnancy, gender identity, age, disability, genetic information, income, political belief, marital or veteran status, or any other category protected by applicable federal, state or local law in the provision of or access to services, employment and activities.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") using the accrual basis of accounting. In accordance with the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*, the Organization distinguishes between net assets with donor restrictions and net assets without donor restrictions, based upon the existence or absence of donor-imposed restrictions, as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. From time to time the board of directors may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events or purposes specified by the donor. Other donor-imposed restrictions are permanent in nature, where the donor stipulates that such resources be maintained in perpetuity. The Organization does not have any donor restricted net assets that are perpetual in nature. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Fair Value Measurements of Assets and Liabilities

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Level 1 - Quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and 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 with observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

Use of Estimates

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

Concentrations of Credit Risk

The Organization maintains its cash accounts with reputable financial institutions. Cash balances are insured by the FDIC up to \$250,000 per bank. At times, the Organization's cash balances exceed the amount insured by the FDIC. No losses have been incurred to date.

Grants and Contributions Receivable

The Organization records unconditional contributions receivable that are expected to be collected within one year at net realizable value. Contributions receivable with expected collection past one year are recorded at net present value using risk-free rates applicable to the years in which the promises are received. As of June 30, 2025 and 2024, all contributions and grants receivable were expected to be collected within one year; therefore, no discount to present value was required. The Organization monitors the collectability of these receivables and an allowance for credit losses is recorded based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Management considered contributions and grants receivable to be fully collectible, and accordingly, no allowance for credit losses was recorded.

Investments and Investment Income

Investments consist of money market funds, certificates of deposit, equities and fixed income securities funds carried at fair value (see Note 3). Net investment income consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses and is recognized in the accompanying statements of activities.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$1,000. Property and equipment is carried at the lesser of cost or fair value if purchased and at fair value at the date of donation if contributed. Depreciation is computed using the straight-line method over the estimated lives of the assets. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. Useful lives range from three to five years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no impairment charge was required for the years presented in these financial statements.

Leases

Effective with the implementation of Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842) and subsequent amendments to the initial guidance (collectively, Topic 842) on July 1, 2022, operating leases are recorded in right-of-use-assets and lease liabilities in the statements of financial position. Leases with a term of twelve months or less are considered short term leases and are accounted for as an expense in the statements of activities as rental payments are incurred.

Right of use asset, operating leases represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when readily determinable. When the lease does not provide an implicit rate, the Organization used the U.S. Treasury rate based on the information available at commencement date in determining the present value of lease payments (which ranged from .89% to 4.07% for leases effective as of June 30, 2025 and 2024). Operating lease expense for lease payments are recognized on a straight-line basis over the lease term.

Grants and Contributions

Grants and contributions, including unconditional promises to give, are recognized as support revenue in the period the promise is received. Grants and contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. The Organization has elected the simultaneous release policy, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized.

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

A portion of the Organization's revenue is derived from cost-reimbursement grants which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are included in refundable advances in the statement of financial position. No such amounts were recorded as of June 30, 2025 or 2024.

In-kind Contributions

The Organization records donated materials and services that create or enhance non-financial assets. Services that require specialized skills are recorded when provided by individuals possessing those skills that would otherwise need to be purchased. In-kind contributions are recorded at their fair market value at the time of receipt and are included in the financial statements as revenue and expense.

Donated services recognized are comprised mainly of program facilitator fees related to mentors which are critical to managing the Organization's programs. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar program facilitator services. Donated salaries and program facilitator fees totaled \$154,423 and \$151,559 for the years ended June 30, 2025 and 2024, respectively, and are reported on the statements of activities as contributions and functional expenses as program services expenses.

Functional Expense Allocation

The costs of providing the programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries, taxes and benefits, insurance, and rent are allocated based on the estimated activities of personnel and the usage of facilities.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Pursuant to FASB ASC Topic 740, *Income Taxes*, the Organization recognizes tax benefits only if it is more likely than not that a tax position (including the Organization's assertion that its income is exempt from tax) will be sustained upon examination. No liability for uncertain tax positions was recorded as of June 30, 2025 or 2024. The Organization is not a private foundation

Subsequent Events

Management has performed an evaluation of subsequent events through January 15, 2026, which is the date the Organization's financial statements were available to be issued.

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(3) INVESTMENTS

The following is a summary of assets measured at fair value on a recurring basis and the valuation inputs used to value them at June 30, 2025 and 2024:

| | Balance June 30, 2025 | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|-------------------------|--------------------------|--|---|--|
| Assets | | | | |
| Money market funds | \$ 185,997 | \$ 185,997 | \$ - | \$ - |
| Certificates of deposit | 218,454 | - | 218,454 | - |
| Exchange traded funds | | | | |
| Equity | 554,416 | 554,416 | - | - |
| Fixed income | 539,109 | 539,109 | - | - |
| | <u>\$ 1,497,976</u> | <u>\$ 1,279,522</u> | <u>\$ 218,454</u> | <u>\$ -</u> |
| | | | | |
| | Balance June 30, 2024 | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Money market funds | \$ 256,901 | \$ 256,901 | \$ - | \$ - |
| Certificates of deposit | 210,110 | - | 210,110 | - |
| Exchange traded funds | | | | |
| Equity | 473,883 | 473,883 | - | - |
| Fixed income | 397,889 | 397,889 | - | - |
| | <u>\$ 1,338,783</u> | <u>\$ 1,128,673</u> | <u>\$ 210,110</u> | <u>\$ -</u> |

Net investment income was comprised of the following for the years ended June 30, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|----------------------------------|-------------------|-------------------|
| Interest and dividends | \$ 46,048 | \$ 44,004 |
| Net realized and unrealized gain | 71,028 | 74,058 |
| Less: Investment management fees | (8,875) | (7,913) |
| | <u>\$ 108,201</u> | <u>\$ 110,149</u> |

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

(4) PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following at June 30, 2025 and 2024:

| | 2025 | 2024 |
|--------------------------------|-----------|------------|
| Equipment | \$ 91,999 | \$ 78,332 |
| Software | 2,250 | 2,250 |
| Leasehold improvements | 279,165 | 270,382 |
| | 373,414 | 350,964 |
| Less: Accumulated depreciation | (294,730) | (221,385) |
| | \$ 78,684 | \$ 129,579 |

(5) LEASES

The Organization entered into a new operating lease April 1, 2025, which expires June 30, 2029. Monthly payments are \$1,950 for the initial year of the lease and could potentially increase 3% annually. The Organization has two other leases ongoing as of 2025. Rent expense for the years ended June 30, 2025 and 2024, was \$119,195 and \$97,780, respectively.

The maturities of the operating lease liabilities as of June 30, 2025, were as follows:

Years Ending June 30

| | | |
|---|------|------------|
| | 2026 | \$ 133,676 |
| | 2027 | 32,632 |
| | 2028 | 25,011 |
| | 2029 | 25,771 |
| | | 217,090 |
| Less: Interest | | (7,630) |
| Present value of operating leases liability | | \$ 209,460 |

(6) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes and periods:

| | Balance June 30, 2024 | Additions | Releases | Balance June 30, 2025 |
|---|--------------------------|------------|--------------|--------------------------|
| Net assets spendable for specific purposes or future periods: | | | | |
| For future periods | \$ 26,101 | \$ 84,560 | \$ (24,265) | \$ 86,396 |
| Operation SMART | 163,949 | 138,941 | (153,509) | 149,381 |
| Project Accelerate | 127,393 | 147,950 | (127,393) | 147,950 |
| Literacy | 81,800 | 25,000 | (81,800) | 25,000 |
| Leadership | 30,000 | - | (30,000) | - |
| Other | 77,360 | - | (10,000) | 67,360 |
| | \$ 506,603 | \$ 396,451 | \$ (426,967) | \$ 476,087 |

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(7) RETIREMENT PLAN

The Organization has a defined contribution 403(b) plan. Employees are eligible to participate in the plan from their first day of employment. The Organization matches employee contributions to the plan for each eligible participant at its discretion after six months of employment. The Organization's contributions to the plan for the years ended June 30, 2025 and 2024 were \$25,000 per year.

(8) RELATED PARTY - GIRLS INCORPORATED

The Organization is an affiliate of Girls Incorporated. As a part of the affiliate agreement, the Organization is subject to annual dues to the national organization. Dues are assessed on a calendar year basis and are calculated based on the previous year's Form 990 results. For the years ended June 30, 2025 and 2024, the annual dues amounted to \$12,000 per year.

The Organization also receives grants from the national organization. For the years ended June 30, 2025 and 2024, the grants contributed amounted to \$337,770 and \$288,312, respectively and are included in other contributions on the statements of activities. At June 30, 2025 and 2024, the amount due from the national organization for these grants amounted to \$169,150 and \$134,635, respectively.

(9) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of the statements of financial position date, which have been reduced by financial assets not available within one year.

| | 2025 | 2024 |
|---|--------------|--------------|
| Cash and cash equivalents | \$ 667,029 | \$ 725,711 |
| Grants and contributions receivable | 609,066 | 481,013 |
| Investments | 1,497,976 | 1,338,783 |
| Total financial assets | 2,774,071 | 2,545,507 |
| Less: Financial assets not available for general operations within one year | | |
| Restricted by donor for specific purposes or periods | (389,691) | (480,502) |
| Total financial assets available within one year | \$ 2,384,380 | \$ 2,065,005 |

Liquidity Management

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically money market funds.

SUPPLEMENTAL INFORMATION

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant/ Pass-through Number | Total Federal Expenditures | Provided to Subrecipient |
|---|---------------------------|----------------------------------|-------------------------------|-----------------------------|
| <u>U.S. Department of the Treasury</u> | | | | |
| New Jersey Department of Law and Public Safety Division of Administration SFY25 Community Based Violence Intervention Program - <i>Bold Futures</i> | 21.027 | 25-CBVI-06F | \$ 254,976 | \$ - |
| Pennsylvania Commission on Crime and Delinquency Coronavirus State and Local Fiscal Recovery Funds - Violence Intervention and Prevention | 21.027 | 2022-CV-VI 39762 | 313,856 | - |
| Philadelphia Youth Network, Inc. Coronavirus State and Local Fiscal Recovery Funds – WorkReady BOOST | 21.027 | 24102-DCED008 | <u>24,798</u> | <u>-</u> |
| Total U.S. Department of the Treasury | | | <u>593,630</u> | <u>-</u> |
| <u>U.S. Department of Education</u> | | | | |
| Pennsylvania Department of Education - School District of Philadelphia COVID-19 – ARP Elementary and Secondary School Emergency Relief – After School Enrichment | 84.425U | S425U210028 | 15,540 | - |
| School District of Philadelphia Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) | 84.344A | P334A210108 | <u>52,737</u> | <u>-</u> |
| Total U.S. Department of Education | | | <u>68,277</u> | <u>-</u> |
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Public Health Management Corporation Temporary Assistance for Needy Families (TANF) - <i>OST Heston</i> | 93.558 | | 157,307 | - |
| Public Health Management Corporation Temporary Assistance for Needy Families (TANF) - <i>OST Howe</i> | 93.558 | | 55,930 | - |
| Public Health Management Corporation Temporary Assistance for Needy Families (TANF) - <i>OST Support Services Coordination</i> | 93.558 | | <u>34,612</u> | <u>-</u> |
| Total U.S. Department of Health and Human Services | | | <u>247,849</u> | <u>-</u> |
| Total Federal Awards | | | <u>\$ 909,756</u> | <u>\$ -</u> |

GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Girls Inc. of Greater Philadelphia & Southern New Jersey (the "Organization") under programs of the federal government as of and for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) INDIRECT COST RATE

The Organization has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed In Accordance With *Government Auditing Standards***

To the Board of Directors of
Girls Inc. of Greater Philadelphia & Southern New Jersey
Philadelphia, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Girls Inc. of Greater Philadelphia & Southern New Jersey (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 15, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Girls Inc. of Greater Philadelphia & Southern New Jersey's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Girls Inc. of Greater Philadelphia & Southern New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of Girls Inc. of Greater Philadelphia & Southern New Jersey's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Girls Inc. of Greater Philadelphia & Southern New Jersey's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Girls Inc. of Greater Philadelphia & Southern New Jersey's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Girls Inc. of Greater Philadelphia & Southern New Jersey's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Isdaner & Company LLC

January 15, 2026

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**Independent Auditor's Report on Compliance for
Each Major Program and on Internal Control Over
Compliance Required by the Uniform Guidance**

To the Board of Directors of
Girls Inc. of Greater Philadelphia & Southern New Jersey
Philadelphia, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Girls Inc. of Greater Philadelphia & Southern New Jersey's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Girls Inc. of Greater Philadelphia & Southern New Jersey's major federal programs for the year ended June 30, 2025. Girls Inc. of Greater Philadelphia & Southern New Jersey's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Girls Inc. of Greater Philadelphia & Southern New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the *Uniform Guidance* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Girls Inc. of Greater Philadelphia & Southern New Jersey and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Girls Inc. of Greater Philadelphia & Southern New Jersey's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Girls Inc. of Greater Philadelphia & Southern New Jersey's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error and express an opinion on Girls Inc. of Greater Philadelphia & Southern New Jersey's compliance based on our audit. 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, *Government Auditing Standards*, and the *Uniform Guidance* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Girls Inc. of Greater Philadelphia & Southern New Jersey's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Uniform Guidance*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Girls Inc. of Greater Philadelphia & Southern New Jersey's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Girls Inc. of Greater Philadelphia & Southern New Jersey's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of Girls Inc. of Greater Philadelphia & Southern New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

Isdaner & Company LLC

January 15, 2026

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GIRLS INC. OF GREATER PHILADELPHIA & SOUTHERN NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

SECTION 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weaknesses identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed relating to major programs that are required to be reported under 2 CFR Section 200.516 (a)? _____ yes X no

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|--|
| #21.027 | Coronavirus State and Local Fiscal Recovery Funds |
| #84.425U | COVID-19 – ARP ESSER – After School Enrichment |
| #84.344A | Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) |
| #93.558 | Temporary Assistance for Needy Families (TANF) |

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ yes X no