Girls Incorporated of Greater Houston

Financial Statements
and Independent Auditors’ Report
for the years ended December 31, 2025 and 2024

Girls Incorporated of Greater Houston

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Independent Auditors' Report

To the Board of Directors of
Girls Incorporated of Greater Houston:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Girls Incorporated of Greater Houston, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Girls Incorporated of Greater Houston 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 Girls Incorporated of Greater Houston 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 Girls Incorporated of Greater Houston's ability to continue as a going concern for 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 that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

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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 Greater Houston'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 Greater Houston'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.

Blazek & Vetterling

July 21, 2026

Girls Incorporated of Greater Houston

Statements of Financial Position as of December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash	$ 329,013	$ 533,479
Prepaid expenses and other assets	30,513	17,380
Contributions receivable	205,612	171,474
Lease right-of-use asset, net *(Note 3)*	349,235	40,804
TOTAL ASSETS	$ 914,373	$ 763,137
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 5,502	$ 11,230
Accrued payroll expenses	10,957	7,036
Refundable advances for future special events	15,000	15,000
Lease liability *(Note 3)*	362,399	40,804
Total liabilities	393,858	74,070
Net assets:		
Without donor restrictions	407,146	319,011
With donor restrictions *(Note 4)*	113,369	370,056
Total net assets	520,515	689,067
TOTAL LIABILITIES AND NET ASSETS	$ 914,373	$ 763,137

See accompanying notes to financial statements.

Girls Incorporated of Greater Houston

Statement of Activities for the year ended December 31, 2025

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Financial contributions	$ 619,724	$ 434,437	$ 1,054,161
Nonfinancial contributions *(Note 5)*	61,812		61,812
Special events:			
Financial contributions	283,055		283,055
Nonfinancial contributions *(Note 5)*	63,350		63,350
Cost of direct donor benefits	(75,921)		(75,921)
Other income	36,163		36,163
Total revenue	988,183	434,437	1,422,620
Net assets released from restrictions:			
Expenditures for program purposes	547,383	(547,383)	
Expiration of time restrictions	143,741	(143,741)	
Total	1,679,307	(256,687)	1,422,620
EXPENSES:			
Program services	1,086,199		1,086,199
Management and general	326,444		326,444
Fundraising	178,529		178,529
Total expenses	1,591,172		1,591,172
CHANGES IN NET ASSETS	88,135	(256,687)	(168,552)
Net assets, beginning of year	319,011	370,056	689,067
Net assets, end of year	$ 407,146	$ 113,369	$ 520,515

See accompanying notes to financial statements.

Girls Incorporated of Greater Houston

Statement of Activities for the year ended December 31, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
United Way		$ 284,998	$ 284,998
Other	$ 592,765	441,860	1,034,625
Special events:			
Cash and other financial contributions	323,587		323,587
Nonfinancial contributions *(Note 5)*	20,800		20,800
Cost of direct donor benefits	(58,288)		(58,288)
Other income	10,468		10,468
Total revenue	889,332	726,858	1,616,190
Net assets released from restrictions:			
Expenditures for program purposes	359,435	(359,435)	
Expiration of time restrictions	180,000	(180,000)	
Total	1,428,767	187,423	1,616,190
EXPENSES:			
Program services	903,131		903,131
Management and general	331,690		331,690
Fundraising	197,732		197,732
Total expenses	1,432,553		1,432,553
CHANGES IN NET ASSETS	(3,786)	187,423	183,637
Net assets, beginning of year	322,797	182,633	505,430
Net assets, end of year	$ 319,011	$ 370,056	$ 689,067

See accompanying notes to financial statements.

Girls Incorporated of Greater Houston

Statement of Functional Expenses for the year ended December 31, 2025

EXPENSES	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and related costs	$ 848,747	$ 194,308	$ 116,455	$ 1,159,510
Materials and supplies	81,510	16,886	10,896	109,292
Professional fees and contract services	24,518	50,231	28,642	103,391
Occupancy	50,154	11,482	6,879	68,515
Travel and transportation	25,862	5,308	2,669	33,839
Meals	22,913	2,379	939	26,231
Technology and communication	15,708	5,066	2,456	23,230
Dues and subscriptions		13,471	1,335	14,806
Bank and credit card fees		10,420		10,420
Insurance	6,555	1,501	898	8,954
Printing and postage	344	1,375	5,437	7,156
Professional development	418	4,636	1,281	6,335
Other	9,470	9,381	642	19,493
Total expenses	$ 1,086,199	$ 326,444	$ 178,529	1,591,172
Cost of direct donor benefits				75,921
Total				$ 1,667,093

See accompanying notes to financial statements.

Girls Incorporated of Greater Houston

Statement of Functional Expenses for the year ended December 31, 2024

EXPENSES	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and related costs	$ 755,579	$ 166,394	$ 141,934	$ 1,063,907
Materials and supplies	19,192	6,219	5,158	30,569
Professional fees and contract services	6,150	85,881	23,110	115,141
Occupancy	52,430	11,470	10,050	73,950
Travel and transportation	21,057	5,673	38	26,768
Meals	16,880	3,029	2,449	22,358
Technology and communication	23,492	6,602	4,419	34,513
Dues and subscriptions	142	14,305		14,447
Bank and credit card fees		7,551		7,551
Insurance	6,149	1,329	1,157	8,635
Printing and postage	100	687	594	1,381
Professional development	459	10,356	100	10,915
Other	1,501	12,194	8,723	22,418
Total expenses	$ 903,131	$ 331,690	$ 197,732	1,432,553
Cost of direct donor benefits				58,288
Total				$ 1,490,841

See accompanying notes to financial statements.

Girls Incorporated of Greater Houston

Statements of Cash Flows for the years ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ (168,552)	$ 183,637
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Amortization of right-of-use asset	58,117	54,392
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(13,133)	(1,797)
Contributions receivable	(34,138)	(97,964)
Accounts payable and accrued payroll expenses	(1,807)	(35,997)
Refundable advances		(8,740)
Lease liability	(44,953)	(54,392)
Net cash provided (used) by operating activities	(204,466)	39,139
NET CHANGE IN CASH	(204,466)	39,139
Cash, beginning of year	533,479	494,340
Cash, end of year	$ 329,013	$ 533,479

Supplemental disclosure of cash flow information:
Operating lease right-of-use asset financed by operating lease liability $366,548

See accompanying notes to financial statements.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Girls Incorporated of Greater Houston (Girls Inc.) was established in 1996. It is a city-wide youth organization whose mission is to inspire all girls to be strong, smart, and bold. Girls Inc. provides research-based programming for girls ages 6-18 covering topics such as anti-bullying, leadership, teamwork, financial literacy, media literacy, and STEM (science, technology, engineering, and math). Through these programs and education partnerships, Girls Inc. strives to effectively meet the needs of girls in their communities; develop girls' capacity to be self-sufficient, responsible members of the community; help girls overcome the effects of discrimination; and serve as vigorous advocates for girls. In 2025 and 2024, approximately 3,257 and 2,970 girls were served, respectively, at approximately 45 site locations in each year.

Federal income tax status – Girls Inc. is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi).

Cash consists of bank deposits which exceed the federally insured limit per depositor per institution.

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in future years are discounted, if material, to estimate the present value of future cash flows. All contributions receivable at December 31, 2025 are expected to be collected within one year. At December 31, 2025, approximately 66% of contributions receivable were due from two donors.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before Girls Inc. is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met. Funding received before conditions are met is reported as refundable advances.

Nonfinancial contributions – Donated materials are recognized at fair value as contributions when an unconditional commitment is received from the donor. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Special events revenue is the total amount paid by sponsors and attendees of an event and includes elements of both contributions and exchange transactions. Special events revenue is recognized when the event occurs. Cost of direct donor benefits represent the cost of goods and services provided to attendees of special events. At December 31, 2025, Girls Inc. has $15,000 of pledged or received conditional contributions which have not been recognized as special events revenue in the accompanying financial statements because the conditions have not been met.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Other allocable costs are distributed proportionately with salaries and related costs.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Total financial assets available to meet general expenditures for December 31, 2025 and 2024 are $534,625 and $704,953, respectively, which includes cash and contributions receivable. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Girls Inc. considers all expenditures related to its ongoing activities of inspiring girls to be strong, smart and bold, as well as the conduct of services undertaken to support those activities, including amounts restricted for program purposes that are expected to be used in the next fiscal year, to be general expenditures.

NOTE 3 – OPERATING LEASE

Girls Inc. has a long-term lease for office space from an unrelated party under an operating lease agreement. At December 31, 2025, the operating lease right-of-use asset and lease liability represents a real estate lease for office space in Houston. The prior office lease ended in September 2025. Girls Inc. signed a new lease in June 2025. Right-of-use assets are recognized at the present value of the lease payments at the inception of the lease adjusted, as appropriate, for certain other payments and allowances related to obtaining the lease and placing the asset in service. Operating lease right-of-use assets are amortized so that lease costs remain constant over the lease terms.

Girls Inc. has adopted the following accounting policy elections:

- *Short-term leases* – Girls Inc. elected not to recognize right-of-use assets and lease liabilities for leases with terms of 12 months or less but instead recognizes short-term leases as expense on a straight-line basis over the lease term.
- *Discount rates* – Girls Inc. has elected to use the risk-free U. S. Treasury rate as the discount rate when the implicit rate is not known.

The components of lease costs are as follows:

	2025	2024
Operating lease cost	$ 65,250	$ 56,511
Short-term lease cost	3,267	2,316
Total lease costs	$ 68,517	$ 58,827

Cash paid for amounts included in the measurement of the lease liability are as follows:

	2025	2024
Operating cash flows for operating leases	$44,994	$58,649

The weighted-average term and discount rate for the operating lease outstanding are as follows:

	2025	2024
Weighted-average remaining lease term	59 months	9 months
Weighted-average discount rate	3.80%	1.68%

Undiscounted cash flows related to the operating lease liability as of December 31, 2025 are as follows:

2026	$ 77,352
2027	79,235
2028	81,117
2029	83,018
2030	77,857
Total undiscounted cash flows	398,579
Less present value discount	(36,180)
Total present value of lease liability	$ 362,399

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	2025	2024
Bold LeadHERS Initiative	$ 43,362	$ 38,808
Restricted for use in future periods	25,007	146,248
Camps	22,500	55,000
Project inSIGHT	22,500	130,000
Total net assets with donor restrictions	$ 113,369	$ 370,056

NOTE 5 – NONFINANCIAL CONTRIBUTIONS

Contributed goods and services, none of which had donor restrictions, were recognized as follows:

CONTRIBUTED GOODS AND SERVICES	MONETIZED OR UTILIZED IN PROGRAMS/ ACTIVITIES	VALUATION TECHNIQUES AND INPUTS	2025 FAIR VALUE	2024 FAIR VALUE
Donated furniture	Utilized for program use	Estimated based on selling price of similar items.	$61,812	
Contributed auction items	Sold at fundraising event	Valued using the auction price received.	35,350	$10,050
Contributed use of venue	Utilized at fundraising event	Estimated based on actual rental rates.	15,000	
Donated services	Utilized at fundraising event	Estimated based on comparable vendor rates.	8,000	6,000
Donated supplies and materials	Utilized at fundraising event	Estimated based on selling price of similar items.	5,000	4,750
Total nonfinancial contributions			$125,162	$20,800

In 2025, approximately 101 volunteers contributed approximately 5,800 hours in connection with program activities. In 2024, approximately 194 volunteers contributed approximately 8,700 hours in connection with program activities. No value has been recorded in the financial statements for volunteer hours because the services do not meet the criteria for recognition under generally accepted accounting principles.

NOTE 6 – EMPLOYEE BENEFIT PLAN

Girls Inc. has a §401(k) plan for the benefit of all full-time employees. Employees become eligible for participation after ninety days of employment. Girls Inc. matches employee contributions up to 4% of compensation. Employer matching contributions were $11,545 in 2025 and $11,351 in 2024.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 21, 2026, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.
