

FAIR GIRLS, INC.

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

SEPTEMBER 30, 2025 AND 2024

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Board of Directors
FAIR Girls, Inc.
Washington, DC

Opinion

We have audited the accompanying financial statements of FAIR Girls, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FAIR Girls, Inc. as of September 30, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FAIR Girls, Inc. 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 FAIR Girls, Inc.'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 FAIR Girls, Inc.'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 FAIR Girls, Inc.'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.



Washington, DC
February 12, 2026

FAIR GIRLS, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2025 AND 2024

<u>ASSETS</u>		
	2025	2024
CURRENT ASSETS		
Cash	\$ 62,434	\$ 67,224
Grants receivable	97,332	30,978
Prepaid expenses	36,197	21,099
Total Current Assets	195,963	119,301
PROPERTY AND EQUIPMENT		
Furniture and equipment	33,723	33,723
Accumulated depreciation	(11,309)	(7,505)
Property and Equipment, Net	22,414	26,218
OTHER ASSETS		
Operating lease right-of-use asset, net	94,119	138,345
Security deposits	11,500	4,500
Total Other Assets	105,619	142,845
TOTAL ASSETS	\$ 323,996	\$ 288,364
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT LIABILITIES		
Accounts payable	\$ 114,706	\$ 50,999
Accrued expenses	31,507	27,554
Operating lease liability, current portion	50,270	39,969
Total Current Liabilities	196,483	118,522
NON-CURRENT LIABILITIES		
Operating lease liability, net of current portion	54,276	104,547
Total Non-Current liability	54,276	104,547
TOTAL LIABILITIES	250,759	223,069
NET ASSETS		
Without donor restrictions	73,237	65,295
TOTAL LIABILITIES AND NET ASSETS	\$ 323,996	\$ 288,364

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

FAIR GIRLS, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
REVENUE AND SUPPORT		
WITHOUT DONOR RESTRICTIONS		
Contributions	\$ 452,804	\$ 304,507
Government grants	627,210	448,743
In-kind contributions	-	36,560
Event revenue	82,762	-
Direct event expenses	(18,454)	-
Other income	1,775	127,335
Total Revenue and Support, Without Donor Restrictions	1,146,097	917,145
EXPENSES		
Program Services:		
Case management	-	53,377
Prevention education and Community Outreach	130,584	35,052
Housing Program (previously Case Management and Vida Home)	586,502	512,144
Total Program Services	717,086	600,573
Support Services:		
General and administrative	411,942	338,735
Fundraising	9,127	51,943
Total Support Services	421,069	390,678
Total Expenses	1,138,155	991,251
CHANGE IN NET ASSETS	7,942	(74,106)
NET ASSETS, beginning of year	65,295	139,401
NET ASSETS, end of year	\$ 73,237	\$ 65,295

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

FAIR GIRLS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2025

	Program Services			Support Services			Total Expenses
	Prevention Education and Community Outreach	Housing Program	Total Programs Services	General and Administrative	Fundraising	Total Support Services	
Personnel Costs:							
Salaries	\$ 68,482	\$ 240,734	\$ 309,216	\$ 135,438	\$ 3,218	\$ 138,656	\$ 447,872
Payroll taxes	5,579	20,085	25,664	11,263	267	11,530	37,194
Employee benefits	4,221	15,197	19,418	8,444	281	8,725	28,143
Subtotal Personnel Costs	78,282	276,016	354,298	155,145	3,766	158,911	513,209
Accounting	-	-	-	120,979	-	120,979	120,979
Bank charges	-	-	-	163	-	163	163
Client assistance	10,104	78,241	88,345	-	-	-	88,345
Conference and meeting	184	-	184	23,003	165	23,168	23,352
Consultants	4,540	83,202	87,742	42,267	-	42,267	130,009
Depreciation	571	2,055	2,626	1,140	39	1,179	3,805
Dues, subscriptions and license fee	-	-	-	9,327	3,885	13,212	13,212
Insurance	4,402	15,847	20,249	8,805	293	9,098	29,347
Legal expenses	-	-	-	462	-	462	462
Office expenses	753	3,687	4,440	15,410	611	16,021	20,461
Postage and delivery	156	562	718	312	10	322	1,040
Printing and copying	653	2,350	3,003	1,304	44	1,348	4,351
Rent	25,921	96,201	122,122	24,220	-	24,220	146,342
Repairs and maintenance	315	11,411	11,726	-	-	-	11,726
Telephone and internet	1,796	6,465	8,261	3,591	120	3,711	11,972
Travel	2,907	10,465	13,372	5,814	194	6,008	19,380
Total Expenses	\$ 130,584	\$ 586,502	\$ 717,086	\$ 411,942	\$ 9,127	\$ 421,069	\$ 1,138,155

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

FAIR GIRLS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024

	Program Services				Support Services			Total Expenses
	Case Management	Prevention Education	Vida Hiome	Total Programs Services	General and Administrative	Fundraising	Total Support Services	
Personnel Costs:								
Salaries	\$ 7,512	\$ 21,076	\$ 249,888	\$ 278,476	\$ 129,076	\$ 39,309	\$ 168,385	\$ 446,861
Payroll taxes	741	1,852	20,743	23,336	10,447	3,258	13,705	37,041
Employee benefits	384	960	10,756	12,100	5,378	1,729	7,107	19,207
Subtotal Personnel Costs	8,637	23,888	281,387	313,912	144,901	44,296	189,197	503,109
Accounting	-	-	-	-	108,409	-	108,409	108,409
Bank charges	-	-	-	-	809	-	809	809
Client assistance	2,924	503	40,890	44,317	-	-	-	44,317
Conference and meeting	194	378	42	614	5,928	-	5,928	6,542
Consultants	781	6,661	109,985	117,427	36,002	517	36,519	153,946
Depreciation	10	26	290	326	144	48	192	518
Dues, subscriptions and license fee	409	1,023	11,459	12,891	5,730	1,842	7,572	20,463
Insurance	552	1,380	15,455	17,387	7,728	2,484	10,212	27,599
Legal expenses	-	-	-	-	4,323	0	4,323	4,323
Office expenses	3,256	-	-	3,256	3,003	611	3,614	6,870
Postage and delivery	38	96	1,072	1,206	537	172	709	1,915
Printing and copying	61	153	1,711	1,925	856	275	1,131	3,056
Rent	35,168	-	37,817	72,985	15,080	-	15,080	88,065
Repairs and maintenance	969	-	1,466	2,435	-	-	-	2,435
Telephone and internet	289	722	8,085	9,096	4,043	1,299	5,342	14,438
Travel	89	222	2,485	2,796	1,242	399	1,641	4,437
Total Expenses	\$ 53,377	\$ 35,052	\$ 512,144	\$ 600,573	\$ 338,735	\$ 51,943	\$ 390,678	\$ 991,251

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

FAIR GIRLS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 7,942	\$ (74,106)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Carrying value of operating lease, right-of-use asset	-	(149,190)
Amortization of right-of-use operating lease	44,226	2,858
Operating lease obligations	-	149,190
Depreciation	3,804	518
In-kind contributions (donated furniture)	-	(26,518)
Decrease (increase) in assets:		
Grants receivable	(66,354)	73,813
Prepaid expenses	(15,098)	(4,448)
Security deposits	(7,000)	-
(Decrease) increase in liabilities:		
Accounts payable	63,707	25,762
Operating lease liability	(39,970)	2,839
Accrued expenses	3,953	(2,321)
Deferred revenue	-	(127,335)
Net Cash Used for Operating Activities	(4,790)	(128,938)
NET CHANGE IN CASH	(4,790)	(128,938)
CASH, beginning of year	67,224	196,162
CASH, end of year	\$ 62,434	\$ 67,224

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

FAIR GIRLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES

Organization

FAIR Girls, Inc. (formerly, FAIR Fund, Inc.) is a 501(c)(3) nonprofit organization, incorporated in the District of Columbia. The mission of FAIR Girls, Inc. is to provide intervention and holistic care to survivors of human trafficking who identify as girls or young women. Through prevention education and policy advocacy, FAIR Girls, Inc. also works to eradicate human trafficking and create brighter outcomes for survivors in the District of Columbia, Maryland, and Virginia.

Program Service

FAIR Girls, Inc.'s programs consist of the following:

Prevention Education and Community Outreach - The Prevention Education and Community Outreach Program is designed to reduce the incidence of human trafficking through education, awareness, and community capacity building. The program operates two interconnected components: youth-focused prevention education and adult community education. FAIR Girls' proprietary curriculum, Tell Your Friends, is a developmentally appropriate, interactive educational series for middle and high school students. It addresses human trafficking myths and facts, technology-facilitated abuse, and cyber exploitation. Through this curriculum, youth learn how trafficking occurs, how to recognize red flags and unsafe situations, and how to protect themselves and their peers. The program also empowers students to act as peer educators, helping to spread accurate information and reduce community-level vulnerabilities to exploitation. The Human Trafficking 101 series provides education and training for adults—including parents, educators, social service professionals, and community leaders. Sessions address the realities of human trafficking, warning signs and risk factors (including those associated with online exploitation), and appropriate ways to identify, respond to, and report suspected trafficking. Participants also receive information on available community resources and survivor support systems. When individuals at risk for trafficking or exploitation are identified through outreach, presentations, or community referrals, FAIR Girls' trained staff provide an immediate, trauma-informed response. Eligible participants are connected with a case manager for crisis assessment, resource navigation, and ongoing support. Through this integrated approach, FAIR Girls bridges prevention and intervention—ensuring that those who need help receive timely, coordinated, and survivor-centered services.

FAIR GIRLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024
(continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Housing Program (previously Case Management and Vida Home) - The FAIR Girls Housing Program provides a 180-day emergency and transitional safe home for young women and female-presenting survivors of sex and labor trafficking. Serving survivors across the Washington, DC metropolitan area, the program offers two distinct housing environments designed to meet each individual's needs and level of stability, the Andrea Home and Vida Home. Across both homes, more than 100 survivors access FAIR Girls' housing and related services each year. The program provides a secure, trauma-informed environment that fosters healing, empowerment, and the development of life skills essential for long-term independence and freedom from exploitation. Each resident is paired with a dedicated case manager upon entry. Case managers provide individualized, trauma-informed guidance that honors each survivor's lived experience and unique journey. The goal is to equip survivors with the tools, resources, and confidence to live independently and maintain lasting safety and stability.

Basis of Accounting

FAIR Girls, Inc. prepares its financial statements on the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligation is incurred.

Basis of Presentation

Financial statement presentation follows FASB ASC Topic 958 *Not-for-Profit-Entities*. In accordance with Topic 958, net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of FAIR Girls, Inc. and changes therein, are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of FAIR Girls, Inc. and/or the passage of time or that must be maintained in perpetuity by FAIR Girls, Inc. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Cash

FAIR Girls, Inc. maintains its cash balances in bank deposit accounts, which are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. At times, the accounts may exceed this limit; however, FAIR Girls, Inc. believes it is not exposed to any significant credit risk on cash.

FAIR GIRLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024
(continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Grants Receivable

Grants receivables are stated at the amount management expects to collect from balances outstanding at year end. Amounts are expected to be collected within one year. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection of information, and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. Management believes all receivables are fully collectible and no provision for allowance for doubtful accounts is deemed necessary.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or fair value, if donated. Major additions, replacements, and betterments with costs of at least \$1,000 and lives greater than one year are capitalized, while repairs and maintenance are expensed. Depreciation expense for property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, which range from three to seven years.

Right-of-Use ("ROU") Asset

A right-of-use ("ROU") asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after the commencement date, less any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus any unamortized initial direct costs, and the addition or subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received). Operating lease ROU assets are recognized on a straight-line basis over the lease term.

Operating Lease Liabilities

FAIR Girls, Inc. accounts for leases in accordance with FASB ASC Topic 842. FAIR Girls, Inc. is a lessee in a noncancellable operating lease for the use of office space. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use assets are amortized over the lease term. A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index or rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the

FAIR GIRLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024
(continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Operating Lease Liabilities - continued

lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable. Since the interest rate of Fair Girls' operating lease was not implicit or readily determinable, Fair Girls elected to use the risk-free rate of 4.58%, as of October 1, 2024.

Revenue Recognition

Contributions: FAIR Girls, Inc. recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions that are met in the same reporting period as the contribution is received are reported as contributions without donor restrictions support.

Government Grants: Revenues are received primarily from state and federal government agencies, including U.S. Department of Justice, Montgomery County Department of Health and Human services, and other agencies. These revenues are considered conditional grants with a measurable performance or other barrier and a right of return, and are not recognized until the conditions on which they depend have been substantially met. These grants are also subject to audit by the grantor agencies, which could result in a request for reimbursement of funds by the agency for expenditures disallowed under the terms and conditions of the appropriate grantor. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position.

In-kind contributions: In-kind contributions are recorded at fair value of the services or items received. FAIR Girls, Inc. recognizes in-kind contributions that create or enhance non-financial assets, and would typically need to be purchased if not provided by donation. For the years ended September 30, 2025 and 2024, FAIR Girls, Inc. received in-kind contributions for furniture totaling \$0 and \$36,560 separately.

FAIR GIRLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024
(continued)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Method Used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or a supporting function such as management and general activities. Expenses of this nature are allocated on a reasonable basis that is consistently applied. Allocated expenses include depreciation, office and occupancy costs, salaries and benefits, and any other general organizational costs, which are allocated on the basis of time and effort expended.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount 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.

NOTE C - INCOME TAXES

FAIR Girls, Inc. is a 501(c)(3) entity exempt from federal income tax under Section 501(a) of the Internal Revenue Code. FAIR Girls, Inc. is, however, subject to tax on business income unrelated to its exempt purpose.

FAIR Girls, Inc. believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There were no unrecognized tax benefits or liabilities that needed to be recorded.

FAIR Girls, Inc.'s information returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed, except under certain circumstances. FAIR Girls, Inc.'s Form 990 information returns for the fiscal years 2022 through 2024, are open for a tax examination by the Internal Revenue Service, although no request has been made as of the date of these financial statements.

FAIR GIRLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024
(continued)

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

FAIR Girls, Inc. regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to prudently invest available funds. FAIR Girls, Inc.’s sources of liquidity at its disposal include cash and receivables.

The following reflects FAIR Girls, Inc.’s financial assets as of September 30:

	<u>2025</u>	<u>2024</u>
Cash	\$ 62,434	\$ 67,224
Grants receivable	<u>97,332</u>	<u>30,978</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 159,766</u>	<u>\$ 98,202</u>

NOTE E – LEASE COMMITMENT

FAIR Girls, Inc. adopted FASB ASC Topic 842, as of October 1, 2022. FAIR Girls, Inc. has an operating lease for its Drop-in Center used in its programs. Operating lease right-of-use asset and operating lease liability are included in non-current assets and current liabilities, respectively, on the statements of financial position.

In August 2020, FAIR Girls, Inc. entered into a lease agreement for its Drop-In-Center in Washington, DC, and occupied the space as of July 1, 2021. The lease term expired on June 30, 2024, and was extended on a month-to-month basis through September 30, 2024, at a base rent per month rate of \$4,243. Thereafter, the lease was extended for an additional three years commencing October 1, 2024 with monthly rent of \$4,370 and expiring September 30, 2027 at an annual increase rate of 3%.

The balance of ROU operating asset is as follows:

	<u>9/30/2025</u>	<u>9/30/2024</u>
Operating lease ROU assets	\$ 149,190	\$ 149,190
Amortization of ROU operating assets	<u>(55,071)</u>	<u>(10,845)</u>
Total Operating ROU Building Assets, Net	<u>\$ 94,119</u>	<u>\$ 138,345</u>

FAIR GIRLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024
(continued)

NOTE E – LEASE COMMITMENT - continued

The following are future maturities of the operating lease liability for the year end September 30:

	2026	\$	54,012
	2027		55,632
	Total lease payment		109,644
	Less: interest		(5,098)
	Present value of lease liabilities	\$	104,546

FAIR Girls, Inc. has another lease for the VIDA Home. The lease was renewed for one year, effective March 2025 through March 2026, with a monthly rent of \$2,700. The current lease has certain provisions that will allow FAIR Girls, Inc. to terminate the lease if the confidentiality of the location becomes compromised and the safety of the clients is endangered. In such case, FAIR Girls, Inc. would be charged a penalty equal to one month’s rent.

Effective March 2025, Fair Girls entered into a new lease agreement for Andrea Home. The lease term runs from March 2025 through March 2026. Under the terms of the agreement, Fair Girls is responsible for monthly rental payments of \$7,000.

Rent expense for the years ended September 30, 2025 and 2024, totaled \$146,342 and \$88,065, respectively.

Because FAIR Girls, Inc. generally does not have access to the rate implicit in the lease, it utilized the risk-free rate (US Treasury Rate). Average lease terms and discount rate for the operating lease as of September 30, was as follows:

	9/30/2025	9/30/2024
Weighted average remaining lease term	2 years	3 years
Weighted average discount rate	4.58%	4.58%

NOTE F – IN-KIND CONTRIBUTIONS

In-kind contributions consist of furniture, which are utilized for FAIR Girls, Inc.'s programs. For the years ended September 30, 2025 and 2024, FAIR Girls, Inc. received donated furniture in the amount of \$0 and \$36,560, respectively. The donated furniture included tables, chairs etc., and were recorded at an estimated fair value on the statement of activities. Unless otherwise noted, in-kind contributions did not have any donor-imposed restrictions, and were utilized for and allocated to case management on the statements of functional expenses.

FAIR GIRLS, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024
(continued)

NOTE G – RELATED PARTY TRANSACTIONS

During the year ended September 30, 2025, FAIR Girls, Inc. received \$225,000 from a board member as a contribution.

NOTE H - SUBSEQUENT EVENTS

In preparing these financial statements, FAIR Girls, Inc. has evaluated events and transactions for potential recognition or disclosure through February 12, 2026, the date the financial statements were available to be issued. There were no other events or transactions that were discovered during the evaluation that required further recognition or disclosure.