

**GIRLS ON THE RUN INTERNATIONAL
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES**

As of and for the Years Ended June 30, 2019 and 2018

And Report of Independent Auditor

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

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Report of Independent Auditor

To the Board of Directors
Girls on the Run International
Charlotte, North Carolina

We have audited the accompanying consolidated financial statements of Girls on the Run International and Subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Girls on the Run International and Subsidiaries as of June 30, 2019 and 2018, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statements described in the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information in the accompanying consolidating statements has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in the accompanying consolidating schedules is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Cherry Bekaert LLP

Charlotte, North Carolina
December 20, 2019

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 2,111,177	\$ 1,733,681
Investments	2,349,656	1,233,014
Accounts receivable, net	215,116	280,107
Unconditional promises to give, net	1,868,608	931,417
Prepaid expenses and other assets	451,554	446,370
Merchandise inventory, net	207,246	125,067
Property and equipment, net	112,014	144,258
Trademarks	1,931,015	1,931,015
Total Assets	\$ 9,246,386	\$ 6,824,929
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 1,056,776	\$ 82,257
Accrued expenses and other liabilities	170,880	122,217
Funds held for councils	12,651	7,400
Deferred revenues	856,068	986,095
Deferred rent	72,540	77,117
Obligation to Founder	1,242,820	1,269,567
Capital lease obligations	34,335	47,908
Total Liabilities	3,446,070	2,592,561
Net Assets:		
Without Donor Restrictions	3,819,585	3,277,470
With Donor Restrictions:		
Subject to purpose restrictions	86,556	593,450
Subject to time restrictions	1,894,175	361,448
Total With Donor Restrictions	1,980,731	954,898
Total Net Assets	5,800,316	4,232,368
Total Liabilities and Net Assets	\$ 9,246,386	\$ 6,824,929

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Other Income:						
Sponsorships	\$ 1,115,210	\$ -	\$ 1,115,210	\$ 995,499	\$ -	\$ 995,499
Contributions and grants	2,462,898	1,967,775	4,430,673	1,409,863	1,015,011	2,424,874
Membership, renewal, and other fees	1,483,050	-	1,483,050	1,354,087	-	1,354,087
Merchandise sales and royalties	1,479,140	-	1,479,140	1,603,122	-	1,603,122
Registration fees	1,027,426	-	1,027,426	704,912	-	704,912
Training	226,227	-	226,227	232,718	-	232,718
Fundraising events, net of expenses of \$51,157 and \$52,970, respectively	168,633	-	168,633	288,367	-	288,367
Investment income, net	131,219	-	131,219	96,606	-	96,606
Other	470,214	-	470,214	204,396	-	204,396
	<u>8,564,017</u>	<u>1,967,775</u>	<u>10,531,792</u>	<u>6,889,570</u>	<u>1,015,011</u>	<u>7,904,581</u>
Net assets released from restriction	941,942	(941,942)	-	1,730,699	(1,730,699)	-
Total Support, Revenue, and Other Income	<u>9,505,959</u>	<u>1,025,833</u>	<u>10,531,792</u>	<u>8,620,269</u>	<u>(715,688)</u>	<u>7,904,581</u>
Expenses:						
Council service delivery	4,510,376	-	4,510,376	4,251,993	-	4,251,993
Program development and training	1,120,875	-	1,120,875	1,153,372	-	1,153,372
GOTR Councils	1,739,505	-	1,739,505	1,270,124	-	1,270,124
General and administrative	1,013,705	-	1,013,705	825,795	-	825,795
Fundraising	804,496	-	804,496	527,983	-	527,983
Total Expenses	<u>9,188,957</u>	<u>-</u>	<u>9,188,957</u>	<u>8,029,267</u>	<u>-</u>	<u>8,029,267</u>
Nonoperating Activities:						
Gain on Council Acquisition	225,113	-	225,113	89,351	-	89,351
Change in net assets	542,115	1,025,833	1,567,948	680,353	(715,688)	(35,335)
Net assets, beginning of year	3,277,470	954,898	4,232,368	2,597,117	1,670,586	4,267,703
Net assets, end of year	<u>\$ 3,819,585</u>	<u>\$ 1,980,731</u>	<u>\$ 5,800,316</u>	<u>\$ 3,277,470</u>	<u>\$ 954,898</u>	<u>\$ 4,232,368</u>

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

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	Program Services			Supporting Services		Total
	Council Service Delivery	Program Development and Training	GOTR Councils	General and Administrative	Fundraising Costs	
Salaries, wages, and payroll taxes	\$ 1,146,727	\$ 459,383	\$ 955,084	\$ 642,446	\$ 510,316	\$ 3,713,956
Employee benefits	103,972	41,651	82,477	58,091	46,237	332,428
Depreciation	17,958	7,194	14,332	9,955	7,984	57,423
Occupancy	94,580	37,889	70,357	52,332	41,595	296,753
Insurance	494,756	1,502	-	15,742	1,798	513,798
Merchandise	839,261	-	-	-	9,151	848,412
Office expenses, postage, telephone, supplies, etc.	29,046	20,216	38,965	12,766	19,520	120,513
Professional fees	335,353	189,394	-	196,784	88,376	809,907
Council grants	1,279,567	-	-	-	-	1,279,567
Service fees	-	5,560	4,602	2,313	16,480	28,955
Taxes and licensing	-	-	1,359	-	15,735	17,094
Training expenses	-	336,471	253,588	-	-	590,059
Travel expenses	79,600	21,615	65,535	23,275	42,631	232,656
Miscellaneous	25,972	-	9,244	-	4,661	39,877
5k events	-	-	243,883	-	-	243,883
Interest expense	63,584	-	79	1	12	63,676
Total Expenses	<u>\$ 4,510,376</u>	<u>\$ 1,120,875</u>	<u>\$ 1,739,505</u>	<u>\$ 1,013,705</u>	<u>\$ 804,496</u>	<u>\$ 9,188,957</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

	Program Services			Supporting Services		Total
	Council Service Delivery	Program Development and Training	GOTR Councils	General and Administrative	Fundraising Costs	
Salaries, wages, and payroll taxes	\$ 1,056,056	\$ 555,974	\$ 646,300	\$ 488,726	\$ 306,076	\$ 3,053,132
Employee benefits	95,795	50,433	59,917	44,422	27,899	278,466
Depreciation and amortization	22,459	11,824	13,857	10,259	6,553	64,952
Occupancy	96,498	50,802	50,126	42,817	27,027	267,270
Insurance	196,433	2,155	9,274	39,977	1,249	249,088
Merchandise	985,242	-	253	-	7,105	992,600
Office expenses, postage, telephone, supplies, etc.	27,984	23,765	36,436	11,889	17,185	117,259
Professional fees	196,776	94,757	48,779	149,205	54,460	543,977
Council grants	1,499,336	-	-	-	-	1,499,336
Service fees	7,451	7,350	3,465	1,082	13,518	32,866
Taxes and licensing	3,099	1	1,480	184	10,272	15,036
Training expenses	-	307,246	184,943	-	-	492,189
Travel expenses	50,703	34,904	33,928	21,452	40,109	181,096
Miscellaneous	-	-	-	1,615	2,173	3,788
5k events	-	-	167,064	-	173	167,237
Interest expense	14,161	14,161	14,302	14,167	14,184	70,975
Total Expenses	<u>\$ 4,251,993</u>	<u>\$ 1,153,372</u>	<u>\$ 1,270,124</u>	<u>\$ 825,795</u>	<u>\$ 527,983</u>	<u>\$ 8,029,267</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,567,948	\$ (35,335)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	57,423	64,996
Loss on disposal of property and equipment	2,367	-
Net unrealized and realized gains on investments	(59,095)	(60,061)
Bad debt expense	25,656	10,174
Changes in assets and liabilities:		
Accounts receivable	64,991	173,269
Unconditional promises to give	(962,847)	184,549
Prepaid expenses and other assets	(5,184)	(266,294)
Inventories	(82,179)	678,649
Accounts payable	974,519	(65,084)
Accrued expenses and other liabilities	48,663	(20,967)
Funds held for councils	5,251	(281,108)
Deferred revenues	(130,027)	757,201
Deferred rent	(4,577)	2,713
Net cash from operating activities	<u>1,502,909</u>	<u>1,142,702</u>
Cash flows from investing activities:		
Purchase of investments	(1,057,547)	(33,746)
Purchase of property and equipment	(27,546)	(37,972)
Net cash from investing activities	<u>(1,085,093)</u>	<u>(71,718)</u>
Cash flows from financing activities:		
Payments on note payable and other obligation to Founder	(26,747)	(115,307)
Payments on capital lease obligations	(13,573)	(10,669)
Net cash from financing activities	<u>(40,320)</u>	<u>(125,976)</u>
Net change in cash and cash equivalents	377,496	945,008
Cash and cash equivalents, beginning of year	1,733,681	788,673
Cash and cash equivalents, end of year	<u>\$ 2,111,177</u>	<u>\$ 1,733,681</u>
Supplement cash flow information:		
Interest paid	<u>\$ 63,676</u>	<u>\$ 70,975</u>

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 1—Organization and nature of operations

Girls on the Run International and Subsidiaries (the “Organization”) is a non-profit organization incorporated under the laws of North Carolina for the purpose of inspiring girls to be joyful, healthy, and confident using a fun, experience-based curriculum which creatively integrates running. The Organization provides curriculum, training, and support to over 200 councils across the United States who deliver the program, including the Charlotte council which is included with its subsidiaries as a separate program service in the accompanying consolidated financial statements. Girls on the Run councils provide a transformational physical activity-based positive youth development program designed to develop and enhance girls’ social, psychological, and physical competencies to successfully navigate life experiences. Over the course of the program girls in the 3rd to 8th grade will develop and improve competence, feel confidence in who they are, develop strength of character, respond to others and oneself with care and compassion, create positive connections with peers and adults, and make a meaningful contribution to community and society. Such life skills will prevent unhealthy and risky behaviors, such as physical inactivity and negative body image, and promote positive health outcomes (e.g., physical, mental, social, and spiritual health). The Organization is funded by a combination of corporate sponsorships, corporate and individual grants and donations, council registration and renewal fees, and registration fees for events.

The consolidated financial statements include the accounts of Girls on the Run International (“GOTRI”) and its non-profit incorporated subsidiaries, Girls on the Run Gaston County (“GOTRGC”); Girls on the Run Greater Hartford, Inc. (“GOTRH”); Girls on the Run Southwest Michigan (“GOTRSWM”); Girls on the Run Orlando Inc. (“GOTRO”); Girls on the Run Memphis (“GOTRM”); Girls on the Run Greater Tampa Bay, Inc. (“GOTRT”); Girls on the Run Columbia (“GOTRC”); Girls on the Run El Paso (“GOTREP”); Girls on the Run Orange County (“GOTRIOC”); and Girls on the Run Portland Metro (“GOTRPM”). These subsidiaries are controlled by GOTRI through its majority appointed board of director rights contained in their respective bylaws and are organized for delivering the Girls on the Run program in their respective geographical areas. All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Organization’s consolidated financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors. The Organization has chosen to provide further classification information about net assets without donor restrictions on the consolidated statements of financial position. The sub classifications are as follows:

Undesignated – Represents the cumulative net assets without donor restrictions excluding those net assets designated for specific activities.

Board-Designated – Comprised of funds set aside by the board of directors to be used for specific activities within general guidelines established by the Organization. There were no board-designated amounts as of June 30, 2019 or 2018.

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

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 2—Summary of significant accounting policies

Cash and Cash Equivalents – The Organization considers all demand deposits that are available for current use to be cash equivalents.

Investments – Investments are recorded at fair value based upon readily determinable quoted market prices. Investment income consists of interest and dividends and realized and unrealized gains and losses, reported net of investment expenses.

Contributions and Other Support – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give that are due within one year are reflected at their net realizable value. Unconditional promises to give due in excess of one year from the consolidated financial position date are recorded at fair value, which is measured as the present value of estimated future cash collections, using risk adjusted interest rates applicable in the year the pledge was made to discount the amounts. The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific pledges made. Contributions of assets other than cash are recorded at their estimated fair value. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Sponsorships – The Organization solicits and enters into agreements with various corporate sponsors. Management of the Organization has determined that these sponsorship agreements represent exchange transactions and, accordingly, recognize associated fees received ratably over the term of the related agreements.

Donated Materials and Services – Donated services are recorded when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated equipment, materials, and services, if significant, are recorded as contributions when received at fair value. The Organization received \$75,000 and \$26,000 of materials and services that have been reflected at fair value as contributions in the consolidated statements of activities for the years ended June 30, 2019 and 2018, respectively.

Receivables – Billed receivables are recorded at the unpaid principal balance when invoices are issued and are presented in the consolidated statements of financial position, net of an allowance for doubtful accounts. Billed receivables are written off when they are deemed to be uncollectible based on specific facts and circumstances on a customer-by-customer basis. The allowance for doubtful accounts is increased by charges to income and decreased by charge offs. Management's periodic evaluation of the adequacy of the allowance is based on the Organization's historical losses, the existing economic conditions, and the financial stability of its councils and customers. It is possible that management's estimate of allowance for doubtful accounts will change in the near term. As of June 30, 2019 and June 30, 2018, allowance for doubtful promises to give was \$33,992 and \$13,448, respectively.

Billed receivables are deemed past due based on contractual terms. Contractual terms are usually within 30 days of invoices being issued. Finance charges may be assessed after 90 days.

Merchandise Inventory – Inventory consists mainly of curriculum materials and is stated at the lower of cost (first-in, first-out method) or net realizable value. The Organization has recorded an estimated reserve of obsolete inventory of approximately \$31,000 as of June 30, 2019 and 2018, respectively.

Trademarks – Trademarks were acquired from the founder of Girls on the Run International (the "Founder"). Management of the Organization has deemed these trademarks to have indefinite lives and, as such, their costs are not subject to amortization. Instead, when events or circumstances indicate that the Organization's carrying value of these assets may not be recoverable, they are tested for impairment. If impaired, trademarks are written down to fair value and a corresponding impairment loss is recognized.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 2—Summary of significant accounting policies (continued)

Property and Equipment, Net – Property and equipment are stated at cost if purchased and at fair value at the date of contribution if contributed. Management reviews the carrying value of property and equipment to determine if circumstances exist indicating an impairment in such value. If impairment is indicated, an adjustment is made to recorded cost. Expenditures for maintenance and repairs that do not improve or extend the life of an asset, and other items incurred in amounts less than \$1,500, are charged to expense as incurred. Major renewals and betterments are capitalized to the property accounts. Upon retirement or sale of an asset, its cost and related accumulated depreciation are removed from the property accounts, and any gain or loss is recorded in income or expense. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

Funds Held for Councils – Funds held for councils represent donations and other funds collected by the Organization on behalf of local councils.

Deferred Revenues – Deferred revenues represent advance sponsorship and other fees received in the current year for periods occurring in the following year.

Deferred Rent – The Organization leases office space under operating leases. Certain leases included upfront free rent and scheduled increases in rent. Rent expense is calculated based upon total rents payable under the lease agreements amortized on a straight-line basis over the life of the leases. Rent expenses recorded on a straight-line basis in excess of rents paid has been accrued as deferred rent in the consolidated statements of financial position.

Shipping and Handling Costs – Shipping and handling costs include freight costs associated with the delivery of curriculum, medals, and other products to council locations. Certain freight costs are billed to councils. Billed freight costs are classified as part of merchandise sales. Shipping and handling costs are classified as a component of program expenses. Total shipping and handling costs were approximately \$124,000 and \$232,000 for the years ending June 30, 2019 and 2018, respectively.

Sales, Use, and Other Taxes – Certain states, and counties and cities within those states, impose sales and other taxes on the Organization's merchandise sales to councils and other customers. The Organization collects sales and other taxes from councils and other customers and remits the entire balance to taxing authorities. The Organization's accounting policy is to exclude sales and other taxes collected and remitted from revenues and expenses.

Income Taxes – The Organization is exempt from federal income tax and applicable state statutes under the provisions of Section 501(c)(3) of the Internal Revenue Code ("IRC"). Accordingly, no provision has been made for income taxes in the consolidated financial statements. In accordance with IRC regulations, the Organization is taxed on unrelated business income, which consists of earnings from activities not related to the exempt purpose of the Organization.

Management has evaluated the effect of guidance surrounding uncertain tax positions and concluded that the Organization has no significant financial statement exposure to uncertain tax positions at June 30, 2019.

Functional Expenses – The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Direct identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to the various programs and supporting services based on time and effort. The expenses that are allocated include salaries, wages, payroll taxes, employee benefits, depreciation, occupancy, and office expenses.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 2—Summary of significant accounting policies (continued)

Use of Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Future Accounting Pronouncements – In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amended the existing accounting standards for revenue recognition. ASU 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for the fiscal years beginning after December 15, 2018.

In February 2016, the FASB issued ASU 2016-02, *Leases*. ASU 2016-02 is intended to improve financial reporting about leasing transactions. The ASU will require organizations that lease assets to recognize assets and liabilities on the statement of financial position for the rights and obligations created by those leases. The standard will be effective for the fiscal years beginning after December 15, 2020.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides clarification and improvements to the guidance around contributions of cash and other assets received and made by not-for-profit organizations. The new standard will be effective for annual reporting periods beginning after December 15, 2018. Early adoption is permitted.

The Organization is currently in the process of evaluating the impact of the adoption of these future accounting pronouncements on the consolidated financial statements.

Note 3—Liquidity and availability

The table below represents financial assets available for general expenditures within one year at June 30:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,111,177	\$ 1,733,681
Investments	2,349,656	1,233,014
Accounts receivable, net	215,116	280,107
Unconditional promises to give, net	1,688,608	931,417
Total financial assets	<u>6,364,557</u>	<u>4,178,219</u>
Less amounts not available to be used for general expenditures within one year:		
Funds held for councils	12,651	7,400
With donor restrictions	1,980,731	954,898
Financial assets not available to be used within one year	<u>1,993,382</u>	<u>962,298</u>
Financial assets available to meet general expenditures within one year	<u>\$ 4,371,175</u>	<u>\$ 3,215,921</u>

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 3—Liquidity and availability (continued)

As part of the Organization’s liquidity management plan, it structures its financial assets to be available as its obligations come due. Cash is held in interest bearing bank accounts and cash in excess of daily requirements is invested as described more fully in Note 4. Additionally, the Organization maintains a \$200,000 line of credit, as discussed in more detail in Note 8. As of June 30, 2019 and 2018, \$200,000 remained available on the Organization’s line of credit.

Note 4—Investments

The following is a summary of investments held as of June 30:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 16,849	\$ 12,328
Exchange traded funds	1,221,441	805,269
Mutual funds	1,111,366	415,417
	<u>\$ 2,349,656</u>	<u>\$ 1,233,014</u>

The following is a summary of investment returns, all of which has been classified as without donor restrictions in the consolidated statements of activities, for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 72,124	\$ 36,545
Net realized and unrealized gains	59,095	60,061
	<u>\$ 131,219</u>	<u>\$ 96,606</u>

Investment fees associated to the above investments are donated to the Organization.

Note 5—Unconditional promises to give

Unconditional promises to give consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Amount due in less than one year	\$ 1,688,608	\$ 931,417
Amount due in greater than one year	180,000	-
	<u>\$ 1,868,608</u>	<u>\$ 931,417</u>

As of June 30, 2019 and June 30, 2018, allowance for doubtful promises to give was \$5,000 and \$3,000, respectively.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 6—Property and equipment

Property and equipment are summarized as follows at June 30:

	<u>Estimated Useful Life</u>	<u>2019</u>	<u>2018</u>
Furniture and equipment	2 to 10 years	\$ 281,920	\$ 271,774
Leasehold improvements	1 to 8 years	28,534	25,234
Website	3 years	65,995	64,854
		<u>376,449</u>	<u>361,862</u>
Less accumulated depreciation		<u>(264,435)</u>	<u>(217,604)</u>
		<u>\$ 112,014</u>	<u>\$ 144,258</u>

Depreciation and amortization expense totaled approximately \$57,000 and \$65,000 for the years ended June 30, 2019 and 2018, respectively.

Note 7—Obligation to Founder

During the year ended June 30, 2013, the Organization acquired various trademarks from its Founder in exchange for a \$607,783 note payable and an obligation to make royalty payments to its Founder at 6% of gross revenue received by the Organization from new council fees and renewal fees paid by existing councils through December 31, 2033. Under U.S. GAAP, assets acquired in exchange for noncash assets, liabilities incurred, or equity interests are measured and recorded based on the fair value of the consideration given or the fair value of the assets acquired, whichever is more clearly evident. Management of the Organization has deemed the fair value of the consideration given to be more clearly evident.

The fair value of the consideration given at the date of acquisition of \$1,931,015 has been estimated by management at the face of the note exchanged plus the net present value of estimated future expected royalty payments to be made through December 31, 2033, using a risk adjusted interest rate of 5%. Management's estimate of future royalty payments to be made and the fair value of the consideration given are subject to change in the near-term. Payments on the note payable were completed during the year ended June 30, 2017. Obligation to Founder in the consolidated statements of financial position represents the present value of future royalty payments of \$1,242,820 and \$1,269,567 at June 30, 2019 and 2018, respectively.

The aggregate estimated future maturities of obligations to the Founder are as follows for the years ending June 30:

2020	\$ 38,584
2021	45,558
2022	53,088
2023	60,805
2024 and thereafter	<u>1,044,785</u>
	<u>\$ 1,242,820</u>

Interest expense incurred related to all debt, including interest under capital lease obligations, totaled approximately \$63,700 and \$71,000 for the years ending June 30, 2019 and 2018, respectively.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 8—Line of credit

The Organization has a \$200,000 line of credit with a bank. The line of credit bears interest at Prime plus 0.75% (6.25% at June 30, 2019). There were no borrowings under the line of credit at June 30, 2019 and 2018.

Note 9—Net assets with donor restriction

Donor restricted net assets are available for the following purposes or periods after June 30:

	2019	2018
Coach recruitment	\$ -	\$ 475,076
Council awards	19,004	11,930
Council travel	-	22,665
Longitudinal evaluation	11,879	13,879
Middle school program	10,000	-
Participant materials and other	30,400	32,934
Other	15,273	36,966
Period after June 30	1,894,175	361,448
	<u>\$ 1,980,731</u>	<u>\$ 954,898</u>

Net assets were released from donor restrictions by incurring expenses or the expiration of time satisfying restrictions specified by donors as follows for the years ended June 30:

	2019	2018
Access inclusion initiative	\$ 18,117	\$ 914,747
Camp GOTR	693	24,924
Coach recruitment	475,076	39,359
Council awards	6,861	96,667
Council travel	11,930	11,843
Longitudinal evaluation	2,000	16,121
Market Viability	18,157	13,070
Participant materials and other	42,660	2,336
Period after June 30	366,448	9,832
Shoes for councils	-	601,800
	<u>\$ 941,942</u>	<u>\$ 1,730,699</u>

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 10—Leases

The Organization leases office equipment under capital leases expiring through 2022. The assets and liabilities under capital leases are recorded at the lower of the present value of future minimum lease payments or the fair value of the assets. Amortization of assets under capital leases is included in depreciation expense. The following is a summary of equipment held under capital leases at June 30:

	<u>2019</u>	<u>2018</u>
Office equipment	\$ 50,380	\$ 58,400
Less accumulated depreciation	<u>(22,391)</u>	<u>(17,340)</u>
	<u>\$ 27,989</u>	<u>\$ 41,060</u>

Minimum future lease payments under capital leases are as follows for the years ending June 30:

2020	\$ 12,850
2021	12,850
2022	<u>12,850</u>
	38,550
Less amount representing interest	<u>(4,215)</u>
	<u>\$ 34,335</u>

The Organization also leases office space and office equipment under the terms of various noncancelable operating leases. Rent expense for facility and office equipment leases totaled approximately \$287,000 and \$255,000 for the years ended June 30, 2019 and 2018, respectively. Minimum future lease payments are approximately as follows for the years ended June 30:

2020	\$ 247,053
2021	254,454
2022	262,098
2023	<u>132,986</u>
	<u>\$ 896,591</u>

Note 11—Retirement plans

The Organization has a profit sharing plan pursuant to Section 401(k) of the IRC, which covers substantially all employees who have completed six or more months of service. Employees may defer a portion of their compensation subject to limits imposed by the Internal Revenue Service. The Organization has made a safe harbor election for the calendar years ended December 31, 2019 and 2018. Under the safe harbor election the Organization matches 100% of the first 3% of a participant's compensation deferral plus 50% of the next 2% of a participant's compensation deferral.

The Organization contributions to its retirement plan totaled approximately \$93,000 and \$86,200 for the years ended June 30, 2019 and 2018, respectively.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 12—Concentration of credit risk

The Organization's cash and cash equivalents are subject to risk of loss for the amounts in excess of the Federal Deposit Insurance Corporation's ("FDIC") depositor insurance limits. The Organization had approximately \$1,657,000 of cash balances in excess of FDIC insurance limits at June 30, 2019.

Note 13—Merger of council operations

During the year ended June 30, 2019, four subsidiaries of GOTRI were formed for the purpose of consolidating supporting services and strengthening Girls on the Run councils in the specific areas represented. Three of the subsidiaries existed prior to being merged in with GOTRI. The fourth subsidiary began operations during the year ended June 30, 2019 in El Paso, Texas. The approximate value of assets and liabilities of the three existing councils, as represented below, were transferred to GOTRI without consideration. The net amount of the assets and liabilities received is included in gain on council acquisition in the accompanying consolidated statements of activities for the year ended June 30, 2019.

	<u>Columbia</u>	<u>Orange County</u>	<u>Portland</u>
Cash	\$ 18,109	\$ 12,147	\$ 178,787
Other assets	13,229	2,422	10,563
Accounts payable and accrued expenses	(8,836)	(138)	(1,170)
Gain on Council Acquisition	<u>\$ 22,502</u>	<u>\$ 14,431</u>	<u>\$ 188,180</u>

In July 2017, GOTRTB was formed. The operations of the existing council in Tampa, Florida, with all assets and liabilities, were transferred to GOTRTB without consideration. The following is an approximate summary of the fair value of assets received and liabilities assumed by GOTRTB as a result of above transaction. The amount of net assets received is included in contributions and grants revenues in the accompanying consolidated statements of activities for the year ended June 30, 2018.

	<u>Tampa</u>
Cash	\$ 65,501
Other assets	21,050
Accounts payable and accrued expenses	(2,206)
Property and equipment, net	5,006
Gain on Council Acquisition	<u>\$ 89,351</u>

Note 14—Fair value measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under accounting standards are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 14—Fair value measurement (continued)

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of June 30:

	Assets at Fair Value June 30, 2019			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 16,849	\$ -	\$ -	\$ 16,849
Exchange traded funds	1,221,441	-	-	1,221,441
Mutual funds	1,111,366	-	-	1,111,366
	<u>\$ 2,349,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,349,656</u>

	Assets at Fair Value June 30, 2018			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 12,328	\$ -	\$ -	\$ 12,328
Exchange traded funds	805,269	-	-	805,269
Mutual funds	415,417	-	-	415,417
	<u>\$ 1,233,014</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,233,014</u>

Note 15—Subsequent events

Management has evaluated subsequent events through December 20, 2019, the date on which the financial statements were available to be issued. Subsequent to June 30, 2019, the following notable transactions occurred:

- Gaston subsidiary was dissolved into Girls on the Run International on July 1, 2019.
- GOTRI board of directors designated \$548,500 of FY19's surplus for the following initiatives: \$98,500 for an assessment designed to identify the competencies required for council leadership success, \$400,000 for council infrastructure grants to help achieve above-average growth and \$50,000 for the establishment of a council emergency fund.

Except as noted above, management has not deemed any other subsequent events significant enough for disclosure.

SUPPLEMENTAL SCHEDULES

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

	GOTRI	Columbia	El Paso	Gaston	Hartford	Memphis	Orange County	Orlando	Portland	SW Mich	Tampa	Eliminating	Consolidated
ASSETS													
Cash and cash equivalents	\$ 1,645,303	\$ 16,610	\$ 1,680	\$ (31)	\$ 7,279	\$ 14,372	\$ 7,307	\$ 40,709	\$ 214,759	\$ 30,624	\$ 132,565	\$ -	\$ 2,111,177
Investments	2,349,656	-	-	-	-	-	-	-	-	-	-	-	2,349,656
Accounts receivable, net	340,983	-	20,000	-	-	30,500	-	-	2,107	-	8,916	(187,390)	215,116
Unconditional promises to give, net	1,835,654	7,000	-	-	16,123	1,015	600	91	-	3,750	4,375	-	1,868,608
Prepaid expenses and other assets	412,230	3,900	3,253	1,510	1,619	1,636	1,525	15,201	12,519	9,168	4,312	(15,319)	451,554
Merchandise inventory, net	200,402	-	-	1,501	1,513	-	-	693	1,133	780	1,224	-	207,246
Property and equipment, net	101,463	3,849	-	-	659	1,137	977	762	-	1,221	1,946	-	112,014
Trademarks	1,931,015	-	-	-	-	-	-	-	-	-	-	-	1,931,015
Total Assets	\$ 8,816,706	\$ 31,359	\$ 24,933	\$ 2,980	\$ 27,193	\$ 48,660	\$ 10,409	\$ 57,456	\$ 230,518	\$ 45,543	\$ 153,338	\$ (202,709)	\$ 9,246,386
LIABILITIES AND NET ASSETS (DEFICIT)													
Liabilities:													
Accounts payable	\$ 1,048,287	\$ 61,910	\$ 5,152	\$ 100	\$ 37,366	\$ 17,244	\$ 820	\$ 2,778	\$ 6,072	\$ 47,954	\$ 16,483	\$ (187,390)	\$ 1,056,776
Accrued expenses and other liabilities	139,834	1,495	183	-	1,327	237	-	1,157	14,857	3,349	8,441	-	170,880
Funds held for councils	12,651	-	-	-	-	-	-	-	-	-	-	-	12,651
Deferred revenues	849,137	-	-	2,750	-	-	-	12,500	-	2,500	4,500	(15,319)	856,068
Deferred rent	72,540	-	-	-	-	-	-	-	-	-	-	-	72,540
Obligation to the Founder	1,242,820	-	-	-	-	-	-	-	-	-	-	-	1,242,820
Capital lease obligations	34,335	-	-	-	-	-	-	-	-	-	-	-	34,335
Total Liabilities	3,399,604	63,405	5,335	2,850	38,693	17,481	820	16,435	20,929	53,803	29,424	(202,709)	3,446,070
Net Assets:													
Without Donor Restrictions:	-	-	-	-	-	-	-	-	-	-	-	-	-
Undesignated	3,484,601	(39,046)	19,598	130	(27,623)	30,161	(1,284)	38,930	206,589	(12,010)	119,539	-	3,819,585
With Donor Restrictions:	-	-	-	-	-	-	-	-	-	-	-	-	-
Subject to purpose restrictions	71,283	-	-	-	-	-	10,273	2,000	3,000	-	-	-	86,556
Subject to time restrictions	1,861,218	7,000	-	-	16,123	1,018	600	91	-	3,750	4,375	-	1,894,175
Total With Donor Restrictions	1,932,501	7,000	-	-	16,123	1,018	10,873	2,091	3,000	3,750	4,375	-	1,980,731
Total Net Assets (Deficit)	5,417,102	(32,046)	19,598	130	(11,500)	31,179	9,589	41,021	209,589	(8,260)	123,914	-	5,800,316
Total Liabilities and Net Assets (Deficit)	\$ 8,816,706	\$ 31,359	\$ 24,933	\$ 2,980	\$ 27,193	\$ 48,660	\$ 10,409	\$ 57,456	\$ 230,518	\$ 45,543	\$ 153,338	\$ (202,709)	\$ 9,246,386

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

	GOTRI	Columbia	El Paso	Gaston	Hartford	Memphis	Orange County	Orlando	Portland	SW Mich	Tampa	Eliminating	Consolidated
ASSETS													
Cash and cash equivalents	\$ 1,455,792	\$ -	\$ -	\$ 15,468	\$ 7,136	\$ 29,953	\$ -	\$ 31,932	\$ -	\$ 57,617	\$ 135,783	\$ -	\$ 1,733,681
Investments	1,231,383	-	-	1,631	-	-	-	-	-	-	-	-	1,233,014
Accounts receivable, net	424,240	-	-	1,128	109	-	-	5,627	-	728	3,403	(155,128)	280,107
Unconditional promises to give, net	888,948	-	-	14,000	9,750	-	-	165	-	304	18,250	-	931,417
Prepaid expenses and other assets	429,553	-	-	4,907	1,970	8,000	-	8,212	-	2,199	6,858	(15,329)	446,370
Merchandise inventory, net	116,468	-	-	1,765	1,430	-	-	817	-	3,053	1,534	-	125,067
Property and equipment, net	128,994	-	-	4,566	1,899	-	-	2,591	-	2,732	3,476	-	144,258
Trademarks	1,931,015	-	-	-	-	-	-	-	-	-	-	-	1,931,015
Total Assets	\$ 6,606,393	\$ -	\$ -	\$ 43,465	\$ 22,294	\$ 37,953	\$ -	\$ 49,344	\$ -	\$ 66,633	\$ 169,304	\$ (170,457)	\$ 6,824,929
LIABILITIES AND NET ASSETS (DEFICIT)													
Liabilities:													
Accounts payable	\$ 70,316	\$ -	\$ -	\$ 64,631	\$ 34,831	\$ 11,123	\$ -	\$ 3,723	\$ -	\$ 37,087	\$ 15,674	\$ (155,128)	\$ 82,257
Accrued expenses and other liabilities	116,768	-	-	1,050	1,427	508	-	1,052	-	339	1,073	-	122,217
Funds held for councils	7,400	-	-	-	-	-	-	-	-	-	-	-	7,400
Deferred revenues	990,789	-	-	2,500	-	-	-	-	-	385	7,750	(15,329)	986,095
Deferred rent	76,927	-	-	-	-	-	-	190	-	-	-	-	77,117
Obligation to the Founder	1,269,567	-	-	-	-	-	-	-	-	-	-	-	1,269,567
Capital lease obligations	44,137	-	-	3,771	-	-	-	-	-	-	-	-	47,908
Total Liabilities	2,575,904	-	-	71,952	36,258	11,631	-	4,965	-	37,811	24,497	(170,457)	2,592,561
Net Assets:													
Without Donor Restrictions:													
Undesignated	3,079,152	-	-	(28,487)	(13,964)	26,322	-	44,379	-	28,761	141,307	-	3,277,470
With Donor Restrictions:													
Subject to purpose restrictions	589,889	-	-	-	-	-	-	-	-	61	3,500	-	593,450
Subject to time restrictions	361,448	-	-	-	-	-	-	-	-	-	-	-	361,448
Total With Donor Restrictions	951,337	-	-	-	-	-	-	-	-	61	3,500	-	954,898
Total Net Assets (Deficit)	4,030,489	-	-	(28,487)	(13,964)	26,322	-	44,379	-	28,822	144,807	-	4,232,368
Total Liabilities and Net Assets (Deficit)	\$ 6,606,393	\$ -	\$ -	\$ 43,465	\$ 22,294	\$ 37,953	\$ -	\$ 49,344	\$ -	\$ 66,633	\$ 169,304	\$ (170,457)	\$ 6,824,929

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

	GOTRI	Columbia	El Paso	Gaston	Hartford	Memphis	Orange County	Orlando	Portland	SW Mich	Tampa	Eliminating	Consolidated
Support, Revenue, and Other Income:													
Sponsorships	\$ 952,704	\$ 9,700	\$ -	\$ 40,600	\$ 18,742	\$ 6,750	\$ -	\$ 27,675	\$ 12,289	\$ 26,350	\$ 25,400	\$ (5,000)	\$ 1,115,210
Contributions and grants	3,901,427	65,026	44,892	31,422	84,948	98,681	75,673	41,239	77,950	61,439	60,476	(112,500)	4,430,673
Membership and renewal fees	1,655,829	-	-	-	-	-	-	-	-	-	-	(172,779)	1,483,050
Merchandise sales and royalties	1,492,367	1,289	-	2,257	2,131	-	-	4,543	5,707	357	12,432	(41,943)	1,479,140
Registration fees	342,829	63,711	1,950	58,376	46,975	2,679	8,838	129,282	162,299	52,172	158,315	-	1,027,426
Training	226,944	-	-	-	-	-	-	-	-	-	-	(717)	226,227
Fundraising events, net	133,441	-	-	20,735	2,461	-	-	8,340	-	-	3,656	-	168,633
Investment income, net	131,461	-	-	(247)	-	-	-	-	5	-	-	-	131,219
Other	496,955	-	-	66,150	-	27	2	5	273	-	10	(93,208)	470,214
Total Support, Revenue, and Other Income	9,333,957	139,726	46,842	219,293	155,257	108,137	84,513	211,084	258,523	140,318	260,289	(426,147)	10,531,792
Expenses:													
Council service delivery	4,734,399	-	-	-	-	-	-	-	-	-	-	(224,023)	4,510,376
Program development and training	1,120,875	-	-	-	-	-	-	-	-	-	-	-	1,120,875
GOTR councils	610,239	153,339	19,958	155,179	132,424	81,006	71,872	158,906	197,529	133,117	223,060	(197,124)	1,739,505
General and administrative	856,098	19,790	3,758	13,280	11,086	10,394	10,453	25,186	16,996	25,583	21,081	-	1,013,705
Fundraising	625,733	21,145	3,528	22,217	9,283	11,880	7,030	30,350	22,589	18,700	37,041	(5,000)	804,496
Total Expenses	7,947,344	194,274	27,244	190,676	152,793	103,280	89,355	214,442	237,114	177,400	281,182	(426,147)	9,188,957
Nonoperating Activities:													
Gain on Council Acquisition	-	22,502	-	-	-	-	14,431	-	188,180	-	-	-	225,113
Change in net assets	1,386,613	(32,046)	19,598	28,617	2,464	4,857	9,589	(3,358)	209,589	(37,082)	(20,893)	-	1,567,948
Net assets (deficit), beginning of year	4,030,489	-	-	(28,487)	(13,964)	26,322	-	44,379	-	28,822	144,807	-	4,232,368
Net assets (deficit), end of year	\$ 5,417,102	\$ (32,046)	\$ 19,598	\$ 130	\$ (11,500)	\$ 31,179	\$ 9,589	\$ 41,021	\$ 209,589	\$ (8,260)	\$ 123,914	\$ -	\$ 5,800,316

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	GOTRI	Columbia	El Paso	Gaston	Hartford	Memphis	Orange County	Orlando	Portland	SW Mich	Tampa	Eliminating	Consolidated
Support, Revenue, and													
Other Income:													
Sponsorships	\$ 869,566	\$ -	\$ -	\$ 37,650	\$ 19,616	\$ -	\$ -	\$ 22,050	\$ -	\$ 27,917	\$ 18,700	\$ -	\$ 995,499
Contributions and grants	2,084,138	-	-	40,301	65,825	40,000	-	110,939	-	61,746	74,900	(52,975)	2,424,874
Membership, renewal, and other fee:	1,442,972	-	-	-	-	-	-	-	-	-	-	(88,885)	1,354,087
Merchandise sales	1,619,400	-	-	3,502	1,369	-	-	6,880	-	3,411	8,447	(39,887)	1,603,122
Registration fees	289,322	-	-	66,429	34,550	-	-	116,750	-	79,255	118,606	-	704,912
Training	238,914	-	-	-	-	-	-	-	-	-	-	(6,196)	232,718
Fundraising events, net	176,578	-	-	35,749	3,805	-	-	32,224	-	7,286	32,725	-	288,367
Investment income, net	96,653	-	-	(47)	-	-	-	-	-	-	-	-	96,606
Other	209,881	-	-	359	-	-	-	246	-	698	200	(6,988)	204,396
Total Support, Revenue, and Other Income	7,027,424	-	-	183,943	125,165	40,000	-	289,089	-	180,313	253,578	(194,931)	7,904,581
Expenses:													
Council service delivery	4,391,316	-	-	-	-	-	-	-	-	-	-	(139,323)	4,251,993
Program development and training	1,153,372	-	-	-	-	-	-	-	-	-	-	-	1,153,372
GOTR councils	542,469	-	-	159,698	117,037	8,250	-	183,395	-	151,483	163,400	(55,608)	1,270,124
General and administrative	709,405	-	-	19,554	18,374	3,889	-	28,751	-	30,861	14,961	-	825,795
Fundraising	394,181	-	-	26,460	6,375	1,539	-	60,116	-	19,551	19,761	-	527,983
Total Expenses	7,190,743	-	-	205,712	141,786	13,678	-	272,262	-	201,895	198,122	(194,931)	8,029,267
Nonoperating Activities:													
Gain on Council Acquisition	-	-	-	-	-	-	-	-	-	-	89,351	-	89,351
Change in net assets	(163,319)	-	-	(21,769)	(16,621)	26,322	-	16,827	-	(21,582)	144,807	-	(35,335)
Net assets (deficit), beginning of year	4,193,808	-	-	(6,718)	2,657	-	-	27,552	-	50,404	-	-	4,267,703
Net assets (deficit), end of year	\$ 4,030,489	\$ -	\$ -	\$ (28,487)	\$ (13,964)	\$ 26,322	\$ -	\$ 44,379	\$ -	\$ 28,822	\$ 144,807	\$ -	\$ 4,232,368