GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

As of and for the Year Ended June 30, 2021

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

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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 (collectively the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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, 2021, and the changes in their net assets and their cash flows for the year 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 1, 2021

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

JUNE 30, 2021

ASSETS	
Cash and cash equivalents	$ 4,201,988
Investments	2,794,788
Accounts receivable, net	132,156
Contributions receivable	1,573,178
Other receivable	1,047,074
Prepaid expenses and other assets	157,731
Merchandise inventory, net	165,762
Property and equipment, net	50,451
Trademarks, net	1,737,913
Total Assets	**$ 11,861,041**
LIABILITIES AND NET ASSETS	
Liabilities:	
Accounts payable	$ 240,289
Accrued expenses and other liabilities	198,410
Deferred revenues	3,272
Deferred paycheck protection program loan ("PPP loan")	1,564,679
Obligation to the Founder	914,465
Capital lease obligations	16,004
Total Liabilities	2,937,119
Net Assets:	
Without Donor Restrictions	6,289,438
With Donor Restrictions:	
Subject to purpose restrictions	13,661
Subject to time restrictions	2,620,823
Total With Donor Restrictions	2,634,484
Total Net Assets	8,923,922
Total Liabilities and Net Assets	**$ 11,861,041**

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES

YEARS ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Other Income:			
Sponsorships	$ 753,828	$ -	$ 753,828
Contributions and grants	1,204,323	2,327,657	3,531,980
Membership, renewal, and other fees	1,381,755	-	1,381,755
Merchandise sales and royalties	540,571	-	540,571
Registration fees	359,880	-	359,880
Training	9,682	-	9,682
CARES act funding	1,073,712	-	1,073,712
Fundraising events, net of expenses of $46,968	220,665	-	220,665
Investment income, net	490,874	-	490,874
Other	320,335	-	320,335
	6,355,625	2,327,657	8,683,282
Net assets released from restriction	785,763	(785,763)	-
Total Support, Revenue, and Other Income	7,141,388	1,541,894	8,683,282
Expenses:			
Council service delivery	4,278,483	-	4,278,483
Program development and training	453,118	-	453,118
GOTR councils	1,198,490	-	1,198,490
General and administrative	706,791	-	706,791
Fundraising	853,357	-	853,357
Total Expenses	7,490,239	-	7,490,239
Change in net assets	(348,851)	1,541,894	1,193,043
Net assets, beginning of year	6,638,289	1,092,590	7,730,879
Net assets, end of year	$ 6,289,438	$ 2,634,484	$ 8,923,922

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

YEAR ENDED JUNE 30, 2021

	Program Services			Supporting Services		
	Council Service Delivery	Program Development and Training	GOTR Councils	General and Administrative	Fundraising Costs	Total
Salaries, wages, and payroll taxes	$ 1,606,778	$ 343,099	$ 817,710	$ 499,401	$ 601,262	$ 3,868,250
Employee benefits	130,194	27,801	71,202	41,533	51,643	322,373
Depreciation and amortization	214,093	3,019	4,909	4,026	4,749	230,796
Occupancy	109,090	23,294	47,977	31,563	34,818	246,742
Insurance	644,493	1,063	27,084	11,824	2,181	686,645
Merchandise	350,813	-	1,789	-	9,208	361,810
Office expenses, postage, telephone, supplies, etc.	28,083	4,079	23,738	6,277	9,547	71,724
Professional fees	237,224	44,460	62,279	108,531	71,729	524,223
Council grants	941,861	-	-	-	-	941,861
Service fees	-	-	755	3,005	38,232	41,992
Taxes and licensing	-	-	5,176	150	12,972	18,298
Training expenses	-	6,017	3,759	-	-	9,776
Travel expenses	7,072	286	5,049	481	459	13,347
Miscellaneous	2,399	-	1,567	-	16,557	20,523
5k events	-	-	24,415	-	-	24,415
Participant materials	-	-	101,081	-	-	101,081
Interest expense	6,383	-	-	-	-	6,383
Total Expenses	$ 4,278,483	$ 453,118	$ 1,198,490	$ 706,791	$ 853,357	$ 7,490,239

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

Cash flows from operating activities:	
Change in net assets	$ 1,193,043
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization	230,796
Loss on disposal of property and equipment	12,827
Net unrealized and realized gains on investments	(440,710)
Bad debt expense	18,944
Changes in assets and liabilities:	
Accounts receivable	112,337
Contributions receivable	(578,156)
Other receivable	(1,047,074)
Prepaid expenses and other assets	272,554
Merchandise inventory	23,083
Accounts payable	136,908
Accrued expenses and other liabilities	(6,743)
Deferred revenues	(319,438)
Deferred rent	(60,957)
Deferred PPP loan	759,737
Net cash from operating activities	307,151
Cash flows from investing activities:	
Net purchases of investments	(46,783)
Purchase of property and equipment	(15,579)
Net cash from investing activities	(62,362)
Cash flows from financing activities:	
Payments on obligation to the Founder	(78,498)
Payments on capital lease obligations	(7,750)
Net cash from financing activities	(86,248)
Net change in cash and cash equivalents	158,541
Cash and cash equivalents, beginning of year	4,043,447
Cash and cash equivalents, end of year	$ 4,201,988
Supplement cash flow information:	
Interest paid	$ 6,383

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 approximately 175 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 Columbia ("GOTRC"); Girls on the Run El Paso ("GOTREP"); Girls on the Run Greater Hartford, Inc. ("GOTRH"); Girls on the Run Memphis ("GOTRM"); Girls on the Run Orange County ("GOTRIOC"); Girls on the Run Orlando Inc. ("GOTRO"); Girls on the Run Portland Metro ("GOTRPM"); Girls on the Run Southwest Michigan ("GOTRSWM"); Girls on the Run Greater Tampa Bay, Inc. ("GOTRT"); and Girls on the Run Riverside ("GOTRR"). 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 statement 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. As of June 30, 2021, there were no board designated funds.
>
> *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.

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 contributions receivable to the Organization that is, in substance, unconditional. Contributions receivable that are due within one year are reflected at their net realizable value. Contributions receivable 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 promise to give was made to discount the amounts. The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Conditional contributions receivable, that is, those with a measurable performance or other barrier, and a right of return or right of release, are not recognized until the conditions on which they depend have been substantially met. 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 statement 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 contributions and, accordingly, recognize associated fees when conditions, if any, are met.

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 approximately $76,000 of materials and services that have been reflected at fair value as contributions in the consolidated statement of activities for the year ended June 30, 2021.

Employee Retention Credit – During the year ended June 30, 2021, the Organization applied for $1,056,140 in grant funding from the Employee Retention Credit ("ERC") through the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which is included in CARES Act Funding on the consolidated statement of activities and of which $1,047,074 is still outstanding and shown as other receivables on the consolidated statement of financial position.

Receivables – Accounts receivables are recorded at the unpaid principal balance when invoices are issued and are presented in the consolidated statement 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, 2021, the allowance for doubtful accounts was approximately $47,000.

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.

Note 2—Summary of significant accounting policies (continued)

Merchandise Inventory – Merchandise 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 for obsolete inventory of approximately $47,000 as of June 30, 2021.

Trademarks – Trademarks were acquired from the founder of Girls on the Run International (the "Founder"). At the time of purchase management of the Organization had deemed these trademarks to have indefinite lives and, as such, their costs were not subject to amortization. In 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2019-06, *Intangibles – Goodwill and Other.* This guidance allows for an accounting alternative for the subsequent measurement of intangible assets. Organizations within the scope of the amendments can elect to amortize intangibles on a straight-line basis over ten years, or less than ten years if the entity demonstrates that another useful life is more appropriate. Effective July 1, 2020, the Organization has elected to begin amortizing existing trademarks over a ten-year period.

As of June 30, 2021, the Organization had no accumulated impairment loss and management noted no indications of such impairment for the year then ended.

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.

Deferred Revenues – Deferred revenues represent insurance premiums, deposits, and other fees received in the current year for periods occurring in the following year.

Deferred PPP loan – The Organization received Paycheck Protection Program loans ("PPP loan") in the amount of $1,576,317. The PPP loans are granted by the Small Business Administration under the CARES Act. PPP loans are considered conditional contributions under Accounting Standards Codification 958-605, *Not-for-Profit Entities – Revenue Recognition*. The loans must be repaid if the Organization does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. The Organization believes it did not substantially meet all barriers for full loan forgiveness at June 30, 2021, therefore, has recorded the receipt of the funds as deferred revenue in the consolidated statement of financial position. The PPP loans were forgiven subsequent to the year end June 30, 2021.

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 $64,000 for the year ended June 30, 2021.

Note 2—Summary of significant accounting policies (continued)

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, 2021.

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 statement of activities. The consolidated statement of functional expenses presents 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.

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 February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classifications affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available.

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires presentation of contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash and other financial assets. It also requires a disclosure of disaggregated contributions of nonfinancial assets by category that depicts the type of contributed nonfinancial assets. This distinction will increase transparency of contributions recognized. This standard will be effective for fiscal years beginning after June 15, 2021.

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 of resources

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

	2021
Financial assets at year-end:	
Cash and cash equivalents	$ 4,201,988
Investments	2,794,788
Accounts receivable, net	132,156
Contributions receivable	1,573,178
Other receivable	1,047,074
Total financial assets	9,749,184
Less amounts not available to be used for general expenditures within one year:	
With donor restrictions	(2,634,484)
Financial assets not available to be used within one year	(2,634,484)
Financial assets available to meet general expenditures within one year	$ 7,114,700

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize the investment of and return on available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing mission as well as the conduct of services undertaken to support those activities to be general expenditures. Additionally, as described in more detail in Note 9, the Organization has available a $200,000 bank line of credit.

Note 4—Investments

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

	2021
Cash and cash equivalents	$ 266,102
Exchange traded funds	1,241,752
Mutual funds	1,286,934
	$ 2,794,788

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

	2021
Interest and dividends	$ 50,164
Net realized and unrealized losses	440,710
	$ 490,874

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

Note 5—Contributions receivable

Contributions receivable consist of the following at June 30:

	2021
Amounts due in less than one year	$ 1,216,642
Amounts due in greater than one year	356,536
	$ 1,573,178

As of June 30, 2021, there was no allowance for doubtful contributions receivable.

Note 6—Property and equipment

Property and equipment are summarized as follows at June 30:

	Estimated Useful Life	**2021**
Furniture and equipment	2 to 10 years	$ 139,894
Website	3 years	20,556
		160,450
Less accumulated depreciation		(109,999)
		$ 50,451

Depreciation and amortization expense totaled approximately $38,000 for the year ended June 30, 2021.

Note 7—Trademarks

	Estimated Useful Life	**2021**
Trademarks	10 years	$ 1,931,015
Less accumulated amortization		(193,102)
		$ 1,737,913

Amortization expense totaled approximately $193,000 for the year ended June 30, 2021.

Estimated future amortization expense related to the trademarks as of June 30, 2021 is as follows:

2022	$ 193,102
2023	193,102
2024	193,102
2025	193,102
2026 and thereafter	965,505
	$ 1,737,913

Note 8—Obligation to the 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 total consideration including the note and royalty obligation 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 statement of financial position represents the present value of future royalty payments of $914,465 at June 30, 2021.

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

2022	$ 58,313
2023	58,896
2024	61,509
2025	64,209
2026 and thereafter	671,538
	$ 914,465

Interest expense incurred related to all debt, including interest under capital lease obligations, totaled approximately $6,300 for the year ended June 30, 2021.

Note 9—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% (4% at June 30, 2021) and expires in October 2022. There were no borrowings under the line of credit at June 30, 2021.

Note 10—Net assets with donor restriction

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

	2021
Council awards	$ 13,661
Time restricted	2,620,823
	$ 2,634,484

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

	2021
Council awards	$ 1,954
Scholarships	2,000
Participant materials and other	61,030
Time restricted	720,779
	$ 785,763

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 year ended December 31, 2021. 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 $130,000 for the year ended June 30, 2021.

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 $3,700,000 of cash balances in excess of FDIC insurance limits at June 30, 2021.

Note 13—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.

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's 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:

	2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 266,102	$ -	$ -	$ 266,102
Exchange traded funds	1,241,752	-	-	1,241,752
Mutual funds	1,286,934	-	-	1,286,934
	$ 2,794,788	$ -	$ -	$ 2,794,788

Note 14—Contingencies

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 ("COVID-19") which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may negatively impact the Organization's consolidated financial position, changes in net assets, and cash flows.

Note 15—Subsequent events

Management has evaluated subsequent events through December 1, 2021, the date on which the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

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

YEAR ENDED JUNE 30, 2021

	GOTRI	Columbia	El Paso	Hartford	Memphis	Orange County	Orlando	Portland	SW Mich	Tampa	Riverside	Eliminating	Consolidated
ASSETS													
Cash and cash equivalents	$ 3,433,247	$ 20,070	$ -	$ 54,725	$ 49,145	$ 41,229	$ 41,473	$ 310,786	$ 26,610	$ 181,162	$ 43,541	$ -	$ 4,201,988
Investments	2,794,788	-	-	-	-	-	-	-	-	-	-	-	2,794,788
Accounts receivable, net	170,794	203	-	3,395	-	139	570	15,405	-	983	50	(59,383)	132,156
Contributions receivable	1,474,838	-	-	3,934	-	-	6,070	331	18,960	46,358	22,687	-	1,573,178
Other receivables	783,103	8,133	-	32,647	19,000	15,595	20,575	75,381	20,008	53,632	19,000	-	1,047,074
Prepaid expenses and other assets	126,346	2,963	-	1,976	2,708	1,728	3,033	6,580	6,399	3,828	2,170	-	157,731
Merchandise inventory, net	155,560	-	-	1,831	-	-	1,100	3,716	350	3,121	84	-	165,762
Property and equipment, net	47,059	-	-	-	-	-	-	-	-	3,392	-	-	50,451
Trademarks, net	1,737,913	-	-	-	-	-	-	-	-	-	-	-	1,737,913
Total Assets	$ 10,723,648	$ 31,369	$ -	$ 98,508	$ 70,853	$ 58,691	$ 72,821	$ 412,199	$ 72,327	$ 292,476	$ 87,532	$ (59,383)	$ 11,861,041
LIABILITIES AND NET ASSETS (DEFICIT)													
Liabilities:													
Accounts payable	$ 231,920	$ 22,890	$ -	$ 1,867	$ 5,412	$ 925	$ 213	$ 17,298	$ 8,568	$ 9,034	$ 1,545	$ (59,383)	$ 240,289
Accrued expenses and other liabilities	147,310	4,255	-	2,392	3,888	2,020	4,060	17,258	7,380	7,346	2,501	-	198,410
Deferred revenues	3,272	-	-	-	-	-	-	-	-	-	-	-	3,272
PPP loan	1,313,255	17,763	-	30,337	-	-	39,890	73,019	18,200	65,015	7,200	-	1,564,679
Obligation to the Founder	914,465	-	-	-	-	-	-	-	-	-	-	-	914,465
Capital lease obligations	16,004	-	-	-	-	-	-	-	-	-	-	-	16,004
Total Liabilities	2,626,226	44,908	-	34,596	9,300	2,945	44,163	107,575	34,148	81,395	11,246	(59,383)	2,937,119
Net Assets:													
Without Donor Restrictions:													
Undesignated	5,825,820	(21,672)	-	27,331	42,553	40,151	1,442	228,912	(789)	111,091	34,599	-	6,289,438
With Donor Restrictions:													
Subject to purpose restrictions	13,661	-	-	-	-	-	-	-	-	-	-	-	13,661
Subject to time restrictions	2,257,941	8,133	-	36,581	19,000	15,595	27,216	75,712	38,968	99,990	41,687	-	2,620,823
Total With Donor Restrictions	2,271,602	8,133	-	36,581	19,000	15,595	27,216	75,712	38,968	99,990	41,687	-	2,634,484
Total Net Assets (Deficit)	8,097,422	(13,539)	-	63,912	61,553	55,746	28,658	304,624	38,179	211,081	76,286	-	8,923,922
Total Liabilities and Net Assets (Deficit)	$ 10,723,648	$ 31,369	$ -	$ 98,508	$ 70,853	$ 58,691	$ 72,821	$ 412,199	$ 72,327	$ 292,476	$ 87,532	$ (59,383)	$ 11,861,041

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	GOTRI	Columbia	El Paso	Hartford	Memphis	Orange County	Orlando	Portland	SW Mich	Tampa	Riverside	Eliminating	Consolidated
Support, Revenue, and Other Income:													
Sponsorships	$ 656,145	$ 8,070	$ -	$ 8,500	$ 2,000	$ 1,613	$ 13,000	$ 13,450	$ 3,000	$ 47,550	$ 500	$ -	$ 753,828
Contributions and grants	2,790,689	53,814	1,393	137,642	92,249	34,908	56,694	207,886	72,325	142,048	44,812	(102,480)	3,531,980
Membership and renewal fees	1,540,288	-	-	-	-	-	-	-	-	-	-	(158,533)	1,381,755
Merchandise sales and royalties	554,815	742	-	629	-	-	429	2,211	1,341	793	360	(20,749)	540,571
Registration fees	77,063	761	-	28,764	19,352	6,120	15,548	148,226	19,121	34,294	10,631	-	359,880
Training	9,682	-	-	-	-	-	-	-	-	-	-	-	9,682
Fundraising events, net	180,996	-	-	7,667	-	250	799	1,512	4,602	24,839	-	-	220,665
Investment income, net	490,869	-	-	-	-	-	-	5	-	-	-	-	490,874
Other	318,752	1,556	-	-	25	-	-	-	2	-	-	-	320,335
CARES act funds	783,103	8,133	-	37,647	26,573	15,595	20,575	75,381	20,008	53,632	33,065	-	1,073,712
Total Support, Revenue, and Other Income	7,402,402	73,076	1,393	220,849	140,199	58,486	107,045	448,671	120,399	303,156	89,368	(281,762)	8,683,282
Expenses:													
Council service delivery	4,394,819	-	-	-	-	-	-	-	-	-	-	(116,336)	4,278,483
Program development and training	453,118	-	-	-	-	-	-	-	-	-	-	-	453,118
GOTR councils	423,708	37,180	14,180	91,396	91,145	43,478	97,054	286,402	60,575	143,811	54,030	(144,469)	1,198,490
General and administrative	598,520	4,139	3,351	16,939	9,101	3,881	3,713	33,052	14,033	16,903	10,030	(6,871)	706,791
Fundraising	687,700	944	12,964	25,671	8,814	318	11,944	31,505	16,586	65,659	5,338	(14,086)	853,357
Total Expenses	6,557,865	42,263	30,495	134,006	109,060	47,677	112,711	350,959	91,194	226,373	69,398	(281,762)	7,490,239
Change in net assets	844,537	30,813	(29,102)	86,843	31,139	10,809	(5,666)	97,712	29,205	76,783	19,970	-	1,193,043
Net assets (deficit), beginning	7,252,885	(44,352)	29,102	(22,931)	30,414	44,937	34,324	206,912	8,974	134,298	56,316	-	7,730,879
Net assets (deficit), end of year	$ 8,097,422	$ (13,539)	$ -	$ 63,912	$ 61,553	$ 55,746	$ 28,658	$ 304,624	$ 38,179	$ 211,081	$ 76,286	$ -	$ 8,923,922