GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

As of and for the Year Ended June 30, 2023

And Report of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

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

Opinion

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, 2023, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 schedules 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 schedules have 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 is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Cherry Bekaert LLP

Charlotte, North Carolina
January 31, 2024

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

JUNE 30, 2023

ASSETS	
Cash and cash equivalents	$ 2,463,270
Investments	4,688,386
Accounts receivable, net	225,956
Contributions receivable, net	922,790
Other receivable	273,200
Prepaid expenses and other assets	505,181
Merchandise inventory, net	265,136
Property and equipment, net	68,931
Trademarks, net	1,351,710
Total Assets	$ 10,764,560
LIABILITIES AND NET ASSETS	
Liabilities:	
Accounts payable	$ 396,872
Accrued expenses and other liabilities	243,617
Deferred revenues	318,882
Obligation to the founder	885,488
Lease obligations	28,473
Total Liabilities	1,873,332
Net Assets:	
Without Donor Restrictions	7,900,615
With Donor Restrictions:	
Subject to purpose restrictions	19,450
Subject to time restrictions	971,163
Total With Donor Restrictions	990,613
Total Net Assets	8,891,228
Total Liabilities and Net Assets	$ 10,764,560

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 ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Other Income:			
Sponsorships	$ 1,010,129	$ -	$ 1,010,129
Contributions and grants	3,699,706	472,078	4,171,784
Contributed nonfinancial assets	149,708	-	149,708
Membership, renewal, and other fees	1,353,551	-	1,353,551
Merchandise sales and royalties	1,616,708	-	1,616,708
Registration fees	774,796	-	774,796
Training	22,131	-	22,131
Fundraising events, net of expenses of $19,525	25,749	-	25,749
Investment return, net	241,879	-	241,879
Other	500,140	-	500,140
Change in obligation to the founder	(88,233)	-	(88,233)
	9,306,264	472,078	9,778,342
Net assets released from restriction	1,094,522	(1,094,522)	-
Total Support, Revenue, and Other Income	10,400,786	(622,444)	9,778,342
Expenses:			
Council service delivery	5,776,479	-	5,776,479
Program development and training	847,965	-	847,965
GOTR councils	2,169,718	-	2,169,718
General and administrative	732,273	-	732,273
Fundraising costs	943,027	-	943,027
Total Expenses	10,469,462	-	10,469,462
Change in net assets	(68,676)	(622,444)	(691,120)
Net assets, beginning of year	7,969,291	1,613,057	9,582,348
Net assets, end of year	$ 7,900,615	$ 990,613	$ 8,891,228

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

YEAR ENDED JUNE 30, 2023

	Program Services			Supporting Services		
	Council Service Delivery	**Program Development and Training**	**GOTR Councils**	**General and Administrative**	**Fundraising Costs**	**Total**
Salaries, wages, and payroll taxes	$ 2,220,887	$ 512,242	$ 1,269,209	$ 501,851	$ 628,914	$ 5,133,103
Employee benefits	211,638	48,814	108,689	46,299	60,100	475,540
Depreciation and amortization	215,890	1,398	7,452	1,761	2,239	228,740
Occupancy	2,700	-	52,878	1,557	3,637	60,772
Insurance	492,772	1,398	18,313	12,968	1,410	526,861
Merchandise	1,022,543	-	-	-	17,957	1,040,500
Office expenses, postage, telephone, supplies, etc.	17,497	8,755	41,509	4,150	11,515	83,426
Professional fees	390,991	231,245	57,706	121,089	99,020	900,051
Council grants	1,095,322	-	-	-	-	1,095,322
Service fees	139	563	3,425	6,275	33,980	44,382
Taxes and licensing	696	-	80	321	9,856	10,953
Training expenses	-	22,519	4,500	-	-	27,019
Travel expenses	91,005	21,031	32,445	35,642	30,355	210,478
Miscellaneous	4,847	-	91,661	360	44,044	140,912
5k events	-	-	268,778	-	-	268,778
Participant materials	-	-	211,401	-	-	211,401
Interest expense	9,552	-	1,672	-	-	11,224
Total Expenses	$ 5,776,479	$ 847,965	$ 2,169,718	$ 732,273	$ 943,027	$ 10,469,462

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 CASH FLOWS

YEAR ENDED JUNE 30, 2023

Cash flows from operating activities:	
Change in net assets	$ (691,120)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization	228,740
Net unrealized and realized gain on investments	(117,599)
Change in obligation to founder	88,233
Bad debt expense	86,821
Changes in assets and liabilities:	
Accounts receivable	(2,407)
Contributions receivable	527,548
Other receivable	513,310
Prepaid expenses and other assets	(111,598)
Merchandise inventory	58,101
Accounts payable	(342,368)
Accrued expenses and other liabilities	57,594
Deferred revenues	73,381
Net cash flows from operating activities	368,636
Cash flows from investing activities:	
Net purchases of investments	(2,086,415)
Purchase of property and equipment	(5,722)
Net cash flows from investing activities	(2,092,137)
Cash flows from financing activities:	
Payments on obligation to the Founder	(58,897)
Payments on lease obligations	(12,077)
Net cash flows from financing activities	(70,974)
Net change in cash and cash equivalents	(1,794,475)
Cash and cash equivalents, beginning of year	4,257,745
Cash and cash equivalents, end of year	$ 2,463,270
Supplement cash flow information:	
Interest paid	$ 11,224
Equipment acquired through new finance lease obligations	$ 29,778

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

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 170 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 3^{rd} to 8^{th} 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") (dissolved as of July 1, 2022); Girls on the Run Greater Hartford, Inc. ("GOTRH"); Girls on the Run Memphis ("GOTRM"); Girls on the Run Orange County ("GOTRIOC") (dissolved as of July 1, 2022); 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 consolidated 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 may choose to provide further classification information about net assets without donor restrictions on the consolidated statement of financial position. The sub classifications, if so chosen, 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, 2023, 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. As of June 30, 2023, there were no funds to be maintained in perpetuity.

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

Note 2—Summary of significant accounting policies

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

Revenue Recognition –

> *Membership, Renewal, and Council Service Fees* – Membership, renewal, and council service fees are recognized monthly as the performance obligations are satisfied over the renewal period.
>
> *Merchandise Sales and Royalties* – Merchandise sales and royalties are recognized as the sale is made and the item is transferred to the customer.

Contributions and Other Support – Contributions are recognized when the donor makes a contribution 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 initially 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. As of June 30, 2023, the allowance for doubtful accounts was approximately $45,000. 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 these sponsorship agreements represent contributions and, accordingly, recognize associated sponsorship revenue when conditions, if any, are met.

Contributed Non-Financial Assets –

> *Donated 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. Contributed services mostly comprise of legal and advertising services. None of the contributed services had donor-imposed restrictions. It is the Organization's policy to obtain an estimated price of the service based on current market rates by the service provider. The Organization received approximately $118,000 of services that have been reflected at fair value as contributed financial assets in the consolidated statement of activities for the year ended June 30, 2023.
>
> *Donated Materials* – Donated equipment and materials, if significant, are recorded as contributions when received at fair value. None of the contributed donated materials had donor-imposed restrictions. It is the Organization's policy to obtain an estimated price of the materials based on current market rates if the materials were to be purchased. The Organization received approximately $31,000 of materials that have been reflected at fair value as contributed financial assets in the consolidated statement of activities for the year ended June 30, 2023.

Receivables, Net – Accounts receivables are stated 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. 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 management's estimate of allowance for doubtful accounts will change in the near term. As of June 30, 2023, the allowance for doubtful accounts was approximately $47,000.

Note 2—Summary of significant accounting policies (continued)

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.

Employee Retention Credit – During the year ended June 30, 2022, GOTRI claimed grant funding from the Employee Retention Credit ("ERC") through the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") of which $273,200 is still outstanding and shown as other receivables on the consolidated statement of financial position.

Merchandise Inventory, Net – 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 $55,000 as of June 30, 2023.

Trademarks, Net – 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 10 years, or less than 10 years if the entity demonstrates another useful life is more appropriate. Effective July 1, 2020, the Organization elected to begin amortizing existing trademarks over a ten-year period.

As of June 30, 2023, 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.

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

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 $145,000 for the year ended June 30, 2023.

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.

Note 2—Summary of significant accounting policies (continued)

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, 2023.

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, amortization, 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.

Note 3—Liquidity and availability of resources

The table below represents financial assets available for general expenditures within one year at June 30, 2023:

Financial assets at year-end:	
Cash and cash equivalents	$ 2,463,270
Investments	4,688,386
Accounts receivable, net	225,956
Contributions receivable	922,790
Other receivable	273,200
Total financial assets	8,573,602
Less amounts not available to be used for general expenditures within one year:	
With donor restrictions	(990,613)
Financial assets not available to be used within one year	(990,613)
Financial assets available to meet general expenditures within one year	$ 7,582,989

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, 2023:

Cash and cash equivalents	$	1,430,433
Exchange traded funds		1,265,859
Mutual funds		1,252,549
Fixed income		739,545
	$	4,688,386

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, 2023:

Interest and dividends	$	124,280
Net realized and unrealized gains		117,599
	$	241,879

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

Note 5—Contributions receivable

Contributions receivable, net of allowance, consist of the following at June 30, 2023:

Amounts due in less than one year, net	$	731,239
Amounts due in greater than one year		191,551
	$	922,790

As of June 30, 2023, the allowance for doubtful contributions receivable was $44,725.

Note 6—Property and equipment, net

Property and equipment are summarized as follows at June 30, 2023:

	Estimated Useful Life		
Furniture and equipment	2 to 10 years	$	202,376
Website	3 years		20,556
			222,932
Less accumulated depreciation and amortization			(154,001)
		$	68,931

Depreciation and amortization expense, related to the above assets, totaled approximately $36,000 for the year ended June 30, 2023.

Note 7—Trademarks, net

	Estimated Useful Life		
Trademarks	10 years	$	1,931,015
Less accumulated amortization			(579,305)
		$	1,351,710

Amortization expense totaled approximately $193,000 for the year ended June 30, 2023.

Estimated future amortization expense related to the trademarks as of June 30, 2023 is as follows:

2024	$	193,102
2025		193,102
2026		193,102
2027		193,102
2028		193,102
Thereafter		386,200
	$	1,351,710

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 $885,488 at June 30, 2023.

Note 8—Obligation to the Founder (continued)

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

2024	$	61,509
2025		64,209
2026		66,998
2027		71,354
2028		75,937
Thereafter		545,481
	$	885,488

Interest expense incurred related to all debt totaled approximately $11,000 for the year ended June 30, 2023.

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% (9.25% at June 30, 2023) and expires in October 2024. There were no borrowings under the line of credit at June 30, 2023.

Note 10—Net assets with donor restriction

Donor-restricted net assets are available for the following purposes or periods after June 30, 2023:

Council awards	$	9,450
Scholarships		500
Other		57,873
Time restricted		922,790
	$	990,613

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, 2023:

Council awards	$	6,968
Participant materials and other		64,480
Time restricted		1,023,074
	$	1,094,522

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, 2023. 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 $153,000 for the year ended June 30, 2023.

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 $1,720,000 of cash balances in excess of FDIC insurance limits at June 30, 2023.

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.

Note 13—Fair value measurement (continued)

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, 2023:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 26,743	$ 1,403,690	$ -	$ 1,430,433
Exchange traded funds	1,265,859	-	-	1,265,859
Mutual funds	1,252,549	-	-	1,252,549
Fixed income	-	739,545	-	739,545
	$ 2,545,151	$ 2,143,235	$ -	$ 4,688,386

Note 14—Subsequent events

Management has evaluated subsequent events through January 31, 2024, the date on which the consolidated financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

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

JUNE 30, 2023

	International "GOTRI"	Dissolved Columbia "GOTRC"	Hartford "GOTRH"	Memphis "GOTRM"	Orange County "GOTROC"	Orlando "GOTRO"	Portland "GOTRPM"	SW Mich "GOTRSWM"	Tampa "GOTRT"	Riverside "GOTRR"	Eliminating	Consolidated
ASSETS												
Cash and cash equivalents	$ 1,917,106	$ -	$ 32,393	$ 89,006	$ -	$ 24,491	$ 242,174	$ 103,545	$ 14,603	$ 39,952	$ -	$ 2,463,270
Investments	4,688,386	-	-	-	-	-	-	-	-	-	-	4,688,386
Accounts receivable, net	319,529	-	965	250	-	2,972	4,350	-	5,000	7,011	(114,121)	225,956
Contributions receivable	733,456	-	11,535	3,500	-	7,249	121,750	12,000	22,200	11,100	-	922,790
Other receivables	261,671	-	-	-	-	-	-	6,713	-	4,816	-	273,200
Prepaid expenses and other assets	458,263	-	1,968	2,423	-	40,546	7,811	2,420	3,358	1,877	(13,485)	505,181
Merchandise inventory, net	244,515	-	1,235	793	-	2,494	5,544	-	10,529	26	-	265,136
Property and equipment, net	56,252	-	2,019	2,270	-	-	3,454	951	2,862	1,123	-	68,931
Trademarks, net	1,351,710	-	-	-	-	-	-	-	-	-	-	1,351,710
Total Assets	$ 10,030,888	$ -	$ 50,115	$ 98,242	$ -	$ 77,752	$ 385,083	$ 125,629	$ 58,552	$ 65,905	$ (127,606)	$ 10,764,560
LIABILITIES AND NET ASSETS (DEFICIT)												
Liabilities:												
Accounts payable	$ 376,073	$ -	$ 2,724	$ 4,386	$ -	$ 40,399	$ 11,640	$ 3,149	$ 46,823	$ 25,800	$ (114,122)	$ 396,872
Accrued expenses and other liabilities	217,128	-	828	5,554	-	100	858	13,359	1,757	4,033	-	243,617
Deferred revenues	330,389	-	1,389	-	-	-	-	-	-	588	(13,484)	318,882
Obligation to the founder	885,488	-	-	-	-	-	-	-	-	-	-	885,488
Lease obligations	28,473	-	-	-	-	-	-	-	-	-	-	28,473
Total Liabilities	1,837,551	-	4,941	9,940	-	40,499	12,498	16,508	48,580	30,421	(127,606)	1,873,332
Net Assets:												
Without Donor Restrictions	7,450,431	-	28,351	84,802	-	30,004	250,835	53,371	(18,203)	21,024		7,900,615
With Donor Restrictions:												
Subject to purpose restrictions	9,450		5,000	-		-	-	-	5,000	-		19,450
Subject to time restrictions	733,456	-	11,823	3,500	-	7,249	121,750	55,750	23,175	14,460		971,163
Total With Donor Restrictions	742,906	-	16,823	3,500	-	7,249	121,750	55,750	28,175	14,460	-	990,613
Total Net Assets (Deficit)	8,193,337	-	45,174	88,302	-	37,253	372,585	109,121	9,972	35,484	-	8,891,228
Total Liabilities and Net Assets (Deficit)	$ 10,030,888	$ -	$ 50,115	$ 98,242	$ -	$ 77,752	$ 385,083	$ 125,629	$ 58,552	$ 65,905	$ (127,606)	$ 10,764,560

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	International "GOTRI"	Dissolved Columbia "GOTRC"	Hartford "GOTRH"	Memphis "GOTRM"	Dissolved Orange County "GOTROC"	Orlando "GOTRO"	Portland "GOTRPM"	SW Mich "GOTRSWM"	Tampa "GOTRT"	Riverside "GOTRR"	Eliminating	Consolidated
Support, Revenue, and Other Income:												
Sponsorships	$ 806,508	$ -	$ 20,000	$ 41,175	$ -	$ 26,757	$ 48,434	$ 5,000	$ 53,365	$ 8,890	$ -	$ 1,010,129
Contributions and grants	3,167,493	-	89,104	131,137	-	167,685	414,616	41,194	146,150	94,006	(79,601)	4,171,784
Contributed nonfinancial assets	149,708	-	-	-	-	-	-	-	-	-	-	149,708
Membership and renewal fees	1,505,313	-	-	-	-	-	-	-	-	-	(151,762)	1,353,551
Merchandise sales and royalties	1,639,420	-	2,699	121	-	196	5,450	1,005	10,756	10	(42,949)	1,616,708
Registration fees	278,142	-	60,931	27,840	-	67,470	149,251	51,596	99,646	39,920	-	774,796
Training	22,131	-	-	-	-	-	-	-	-	-	-	22,131
Fundraising events, net	2,418	-	7,720	-	-	(1,930)	5,786	(125)	11,880	-	-	25,749
Investment return, net	241,874	-	-	-	-	-	5	-	-	-	-	241,879
Other	500,396	-	201	26	2,381	1,157	320	300	9,902	-	(14,543)	500,140
Change in Obligation to the founder	(88,233)	-	-	-	-	-	-	-	-	-	-	(88,233)
Total Support, Revenue, and Other Income	8,225,170	-	180,655	200,299	2,381	261,335	623,862	98,970	331,699	142,826	(288,855)	9,778,342
Expenses:												
Council service delivery	5,894,979	-	-	-	-	-	-	-	-	-	(118,500)	5,776,479
Program development and training	847,965	-	-	-	-	-	-	-	-	-	-	847,965
GOTR councils	646,962	41,166	152,611	163,745		186,686	529,760	129,349	344,013	131,939	(156,513)	2,169,718
General and administrative	593,706	-	38,945	8,651	-	31,626	33,673	8,657	15,374	9,744	(8,103)	732,273
Fundraising	685,377	-	16,651	12,034	-	67,843	80,610	5,279	77,631	3,341	(5,739)	943,027
Total Expenses	8,668,989	41,166	208,207	184,430	-	286,155	644,043	143,285	437,018	145,024	(288,855)	10,469,462
Change in net assets	(443,819)	(41,166)	(27,552)	15,869	2,381	(24,820)	(20,181)	(44,315)	(105,319)	(2,198)	-	(691,120)
Net assets (deficit), beginning	8,637,156	41,166	72,726	72,433	(2,381)	62,073	392,766	153,436	115,291	37,682	-	9,582,348
Net assets (deficit), end of year	$ 8,193,337	$ -	$ 45,174	$ 88,302	$ -	$ 37,253	$ 372,585	$ 109,121	$ 9,972	$ 35,484	$ -	$ 8,891,228

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
GIRLS ON THE RUN GREATER CHARLOTTE SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

Support Revenue and Other Income:	
Sponsorships	$ 37,600
Contributions and grants	124,553
Registration fees	278,143
Other	302
Total Support Revenue and Other Income	440,598
Expenses:	
Salaries, wages, and payroll taxes	346,079
Depreciation and amortization	1,654
Occupancy and office expenses	26,538
Insurance	6,333
Professional fees	12,851
Service fees	22,331
Travel expenses	4,653
5k events	78,875
Participant materials	82,506
Interest expense	1,672
Total Expenses	583,492
Change in Net Assets	$ (142,894)