

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Year Ended June 30, 2024

And Report of Independent Auditor

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR..... 1-2

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position 3

Consolidated Statement of Activities 4

Consolidated Statement of Functional Expenses..... 5

Consolidated Statement of Cash Flows 6

Notes to the Consolidated Financial Statements 7-15

SUPPLEMENTARY INFORMATION

Consolidating Statements of Financial Position 16

Consolidating Statements of Activities 17

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, 2024, 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, 2024, 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.

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
September 3, 2025

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

JUNE 30, 2024

ASSETS

Cash and cash equivalents	\$ 2,255,472
Investments	5,778,074
Accounts receivable, net	582,730
Contributions receivable, net	1,992,029
Prepaid expenses and other assets	541,450
Merchandise inventory, net	514,828
Property and equipment, net	34,627
Trademarks, net	1,158,609
Total Assets	\$ 12,857,819

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 1,302,375
Accrued expenses and other liabilities	111,705
Deferred revenues	350,647
Obligation to the founder	821,594
Lease obligations	20,176
Total Liabilities	2,606,497

Net Assets:

Without Donor Restrictions	8,161,463
With Donor Restrictions:	
Subject to purpose restrictions	12,865
Subject to time restrictions	2,076,994
Total With Donor Restrictions	2,089,859
Total Net Assets	10,251,322
Total Liabilities and Net Assets	\$ 12,857,819

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 ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Other Income:			
Sponsorships	\$ 2,608,932	\$ -	\$ 2,608,932
Contributions and grants	1,625,662	1,868,210	3,493,872
Contributed nonfinancial assets	315,178	-	315,178
Membership, renewal, and other fees	2,292,953	-	2,292,953
Merchandise sales and royalties	1,963,570	-	1,963,570
Registration fees	548,174	-	548,174
Training	281,736	-	281,736
Fundraising events, net of expenses of \$32,534	4,991	-	4,991
Investment return, net	582,900	-	582,900
Other	590,945	-	590,945
Change in obligation to the founder	(25,915)	-	(25,915)
	10,789,126	1,868,210	12,657,336
Net assets released from restriction	768,964	(768,964)	-
Total Support, Revenue, and Other Income	11,558,090	1,099,246	12,657,336
Expenses:			
Council service delivery	6,525,113	-	6,525,113
Program development and training	1,315,753	-	1,315,753
GOTR councils	1,730,516	-	1,730,516
General and administrative	773,665	-	773,665
Fundraising costs	952,195	-	952,195
Total Expenses	11,297,242	-	11,297,242
Change in net assets	260,848	1,099,246	1,360,094
Net assets, beginning of year	7,900,615	990,613	8,891,228
Net assets, end of year	\$ 8,161,463	\$ 2,089,859	\$ 10,251,322

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, 2024

	Program Services			Supporting Services		
	Council Service Delivery	Program Development and Training	GOTR Councils	General and Administrative	Fundraising Costs	Total
Salaries, wages, and payroll taxes	\$ 2,447,692	\$ 589,100	\$ 769,296	\$ 570,984	\$ 623,574	\$ 5,000,646
Employee benefits	226,226	53,915	65,497	51,314	56,797	453,749
Depreciation and amortization	217,100	1,398	5,458	1,378	2,071	227,405
Occupancy	3,661	-	30,750	-	-	34,411
Insurance	605,391	1,398	14,885	13,566	1,476	636,716
Merchandise	1,276,131	-	-	-	73,718	1,349,849
Office expenses, postage, telephone, supplies, etc.	25,723	15,255	12,578	620	8,571	62,747
Professional fees	596,808	159,953	47,144	106,012	42,883	952,800
Council grants	991,031	-	40	-	-	991,071
Service fees	40,239	6,903	5,395	4,465	25,394	82,396
Taxes and licensing	-	-	-	318	15,069	15,387
Training expenses	-	481,068	-	-	-	481,068
Travel expenses	77,288	6,762	28,991	25,005	55,938	193,984
Miscellaneous	17,823	1	409,798	3	46,420	474,045
5k events	-	-	156,130	-	4	156,134
Other events	-	-	-	-	280	280
Participant materials	-	-	182,046	-	-	182,046
Interest expense	-	-	2,508	-	-	2,508
Total Expenses	<u>\$ 6,525,113</u>	<u>\$ 1,315,753</u>	<u>\$ 1,730,516</u>	<u>\$ 773,665</u>	<u>\$ 952,195</u>	<u>\$ 11,297,242</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 CASH FLOWS

YEAR ENDED JUNE 30, 2024

Cash flows from operating activities:

Change in net assets	\$ 1,360,094
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization	227,405
Net unrealized and realized gain on investments	(330,177)
Change in obligation to founder	25,915
Bad debt expense	45,562
Changes in assets and liabilities:	
Accounts receivable	(356,774)
Contributions receivable	(841,601)
Prepaid expenses and other assets	(36,269)
Merchandise inventory	(249,692)
Accounts payable	905,503
Accrued expenses and other liabilities	(131,912)
Deferred revenues	31,765
Net cash flows from operating activities	<u>649,819</u>

Cash flows from investing activities:

Net purchases of investments	<u>(759,511)</u>
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Cash flows from financing activities:

Payments on obligation to the Founder	(89,809)
Payments on lease obligations	<u>(8,297)</u>
Net cash flows from financing activities	<u>(98,106)</u>

Net change in cash and cash equivalents	(207,798)
Cash and cash equivalents, beginning of year	<u>2,463,270</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,255,472</u></u>

Supplement cash flow information:

Interest paid	<u><u>\$ 2,508</u></u>
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The accompanying notes to the consolidated financial statements are an integral part of these statements.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

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 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”) (became independent 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”) (became independent as of July 1, 2022); Girls on the Run Orlando Inc. (“GOTRO”) (became independent as of July 1, 2023); Girls on the Run Portland Metro (“GOTRPM”) (became independent as of July 1, 2023); 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 Directors’ 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.

Note 2—Summary of significant accounting policies

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, 2024, 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, 2024, there were no funds to be maintained in perpetuity.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

Note 2—Summary of significant accounting policies (continued)

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 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, 2024, the allowance for doubtful accounts was \$25,000. 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 \$270,000 of services that have been reflected at fair value as contributed non-financial assets in the consolidated statement of activities for the year ended June 30, 2024.

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 \$45,000 of materials that have been reflected at fair value as contributed non-financial assets in the consolidated statement of activities for the year ended June 30, 2024.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

Note 2—Summary of significant accounting policies (continued)

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 credit losses. Billed receivables are written off when they are deemed to be credit losses 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 credit losses will change in the near term. As of June 30, 2024, the allowance for credit losses 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.

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 \$46,000 as of June 30, 2024.

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 10-year period.

As of June 30, 2024, 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.

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 \$175,000 for the year ended June 30, 2024.

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.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

Note 2—Summary of significant accounting policies (continued)

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, 2024.

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.

Recently Issued Accounting Pronouncements Adopted – In June 2016, FASB issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses* (Topic 326) and subsequently related amendments (ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11, and ASU 2022-02). This guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. The Organization adopted this new accounting standard effective July 1, 2023. There was no significant impact to Organization's change in net assets for the current period due to this standard update.

Note 3—Liquidity and availability of resources

The table below represents financial assets available for general expenditures within one year at June 30, 2024:

Financial assets at year-end:	
Cash and cash equivalents	\$ 2,255,472
Investments	5,778,074
Accounts receivable, net	582,730
Contributions receivable	840,926
Total financial assets	<u>9,457,202</u>
Less amounts not available to be used for general expenditures within one year:	
With donor restrictions	<u>(2,089,859)</u>
Financial assets not available to be used within one year	<u>(2,089,859)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 7,367,343</u>

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

Note 3—Liquidity and availability of resources (continued)

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, 2024:

Cash and cash equivalents	\$ 772,061
Exchange traded funds	1,681,098
Mutual funds	2,467,642
Fixed income	857,273
	<u>\$ 5,778,074</u>

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, 2024:

Interest and dividends	\$ 252,723
Net realized and unrealized gains	330,177
	<u>\$ 582,900</u>

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

Note 5—Contributions receivable

Contributions receivable, net of allowance, consist of the following at June 30, 2024:

Amounts due in less than one year, net	\$ 840,926
Amounts due in greater than one year	1,437,500
	<u>2,278,426</u>
Less present value discount at rate of 5%	(261,397)
Less allowance for uncollectible contributions receivable	(25,000)
	<u>\$ 1,992,029</u>

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Property and equipment, net

Property and equipment are summarized as follows at June 30, 2024:

	Estimated Useful Life	2024
Furniture and equipment	2 to 10 years	\$ 145,954
Website	3 years	20,556
		166,510
Less accumulated depreciation and amortization		(131,883)
		<u>\$ 34,627</u>

Depreciation and amortization expense related to the above assets totaled approximately \$227,000 for the year ended June 30, 2024.

Note 7—Trademarks, net

	Estimated Useful Life	
Trademarks	10 years	\$ 1,931,015
Less accumulated amortization		(772,406)
		<u>\$ 1,158,609</u>

Amortization expense totaled approximately \$193,000 for the year ended June 30, 2024.

Estimated future amortization expense related to the trademarks as of June 30, 2024 is as follows:

2025	\$ 193,102
2026	193,102
2027	193,102
2028	193,102
2029	193,102
Thereafter	193,099
	<u>\$ 1,158,609</u>

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.

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

Note 8—Obligation to the Founder (continued)

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 \$821,594 at June 30, 2024.

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

2025	\$	110,086
2026		74,510
2027		78,236
2028		82,148
2029		86,255
Thereafter		390,359
	\$	<u>821,594</u>

Interest expense incurred related to all debt totaled approximately \$3,000 for the year ended June 30, 2024.

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% at June 30, 2024) and expires in October 2025. There were no borrowings under the line of credit at June 30, 2024.

Note 10—Net assets with donor restriction

Donor-restricted net assets are available for the following purposes or periods after June 30, 2024:

Council awards	\$	4,865
Scholarships		41,803
Other		51,162
Time restricted		1,992,029
	\$	<u>2,089,859</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 year ended June 30, 2024:

Council awards	\$	4,585
Participant materials and other		5,000
Time restricted		759,379
	\$	<u>768,964</u>

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024. 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 \$157,000 for the year ended June 30, 2024.

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 \$1,591,000 of cash balances in excess of FDIC insurance limits at June 30, 2024.

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.

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

JUNE 30, 2024

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, 2024:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 59,024	\$ 713,037	\$ -	\$ 772,061
Exchange traded funds	1,681,098	-	-	1,681,098
Mutual funds	2,467,642	-	-	2,467,642
Fixed income	-	857,273	-	857,273
	<u>\$ 4,207,764</u>	<u>\$ 1,570,310</u>	<u>\$ -</u>	<u>\$ 5,778,074</u>

Note 14—Subsequent events

Management has evaluated subsequent events through September 3, 2025, the date on which the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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

JUNE 30, 2024

	International GOTRI	Hartford GOTRH	Memphis GOTRM	Dissolved Orlando GOTRO	Dissolved Portland GOTRPM	SW Mich GOTRSWM	Tampa GOTRT	Riverside GOTRR	Eliminating	Consolidated
ASSETS										
Cash and cash equivalents	\$ 1,833,624	\$ 151,679	\$ 97,449	\$ -	\$ -	\$ 67,684	\$ 18,625	\$ 86,411	\$ -	\$ 2,255,472
Investments	5,778,074	-	-	-	-	-	-	-	-	5,778,074
Accounts receivable, net	645,035	6,757	8,306	-	-	1,975	115	-	(79,458)	582,730
Contributions receivable	1,804,867	137,178	10,170	-	-	17,961	17,037	4,816	-	1,992,029
Prepaid expenses and other assets	539,349	2,198	2,140	-	-	2,625	2,741	2,378	(9,981)	541,450
Merchandise inventory, net	505,302	1,975	793	-	-	-	6,732	26	-	514,828
Property and equipment, net	29,719	710	2,473	-	-	408	943	374	-	34,627
Trademarks, net	1,158,609	-	-	-	-	-	-	-	-	1,158,609
Total Assets	\$ 12,294,579	\$ 300,497	\$ 121,331	\$ -	\$ -	\$ 90,653	\$ 46,193	\$ 94,005	\$ (89,439)	\$ 12,857,819
LIABILITIES AND NET ASSETS (DEFICIT)										
Liabilities:										
Accounts payable	\$ 1,293,766	\$ 11,635	\$ 2,432	\$ -	\$ -	\$ 5,637	\$ 46,588	\$ 21,775	\$ (79,458)	\$ 1,302,375
Accrued expenses and other liabilities	96,780	3,648	2,157	-	-	3,253	3,285	2,582	-	111,705
Deferred revenues	360,246	-	-	-	-	-	132	250	(9,981)	350,647
Obligation to the founder	821,594	-	-	-	-	-	-	-	-	821,594
Lease obligations	20,176	-	-	-	-	-	-	-	-	20,176
Total Liabilities	2,592,562	15,283	4,589	-	-	8,890	50,005	24,607	(89,439)	2,606,497
Net Assets:										
Without Donor Restrictions	7,892,285	181,065	106,572	-	-	45,513	(63,972)	-	-	8,161,463
With Donor Restrictions:										
Subject to purpose restrictions	4,865	3,000	-	-	-	-	5,000	-	-	12,865
Subject to time restrictions	1,804,867	101,149	10,170	-	-	36,250	55,160	69,398	-	2,076,994
Total With Donor Restrictions	1,809,732	104,149	10,170	-	-	36,250	60,160	69,398	-	2,089,859
Total Net Assets (Deficit)	9,702,017	285,214	116,742	-	-	81,763	(3,812)	69,398	-	10,251,322
Total Liabilities and										
Net Assets (Deficit)	\$ 12,294,579	\$ 300,497	\$ 121,331	\$ -	\$ -	\$ 90,653	\$ 46,193	\$ 94,005	\$ (89,439)	\$ 12,857,819

GIRLS ON THE RUN INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	International GOTRI	Hartford GOTRH	Memphis GOTRM	Dissolved Orlando GOTRO	Dissolved Portland GOTRPM	SW Mich GOTRSWM	Tampa GOTRT	Riverside GOTRR	Eliminating	Consolidated
Support, Revenue, and Other Income:										
Sponsorships	\$ 2,523,830	\$ 32,600	\$ 5,250	\$ -	\$ -	\$ 13,595	\$ 28,457	\$ 5,200	\$ -	\$ 2,608,932
Contributions and grants	2,658,837	319,333	168,841	-	-	73,473	145,339	145,670	(17,621)	3,493,872
Contributed nonfinancial assets	315,178	-	-	-	-	-	-	-	-	315,178
Membership and renewal fees	2,400,934	-	-	-	-	-	-	-	(107,981)	2,292,953
Merchandise sales and royalties	1,962,317	3,594	2,635	-	-	952	11,267	1,280	(18,475)	1,963,570
Registration fees	281,087	77,147	19,816	-	-	37,793	116,824	15,507	-	548,174
Training	281,736	-	-	-	-	-	-	-	-	281,736
Fundraising events, net	-	4,109	-	-	-	-	882	-	-	4,991
Investment return, net	582,900	-	-	-	-	-	-	-	-	582,900
Other	606,314	-	275	-	-	-	831	-	(16,475)	590,945
Change in obligation to the founder	(25,915)	-	-	-	-	-	-	-	-	(25,915)
Total Support, Revenue, and Other Income	11,587,218	436,783	196,817	-	-	125,813	303,600	167,657	(160,552)	12,657,336
Expenses:										
Council service delivery	6,579,909	-	-	-	-	-	-	-	(54,796)	6,525,113
Program development and training	1,315,753	-	-	-	-	-	-	-	-	1,315,753
GOTR councils	622,958	167,078	142,131	37,253	372,585	125,443	251,487	108,617	(97,036)	1,730,516
General and administrative	722,915	8,539	11,750	-	-	11,283	8,640	13,519	(2,981)	773,665
Fundraising	837,003	21,126	14,496	-	-	16,445	57,257	11,607	(5,739)	952,195
Total Expenses	10,078,538	196,743	168,377	37,253	372,585	153,171	317,384	133,743	(160,552)	11,297,242
Change in net assets	1,508,680	240,040	28,440	(37,253)	(372,585)	(27,358)	(13,784)	33,914	-	1,360,094
Net assets, beginning	8,193,337	45,174	88,302	37,253	372,585	109,121	9,972	35,484	-	8,891,228
Net assets, end of year	\$ 9,702,017	\$ 285,214	\$ 116,742	\$ -	\$ -	\$ 81,763	\$ (3,812)	\$ 69,398	\$ -	\$ 10,251,322