Girls on the Run of NOVA

Financial Statements
and Independent Auditor's Report

June 30, 2024

Girls on the Run of NOVA

Financial Statements
June 30, 2024

Contents

ROGERS & COMPANY

Rogers & Company PLLC
Certified Public Accountants

8300 Boone Boulevard
Suite 600
Vienna, Virginia 22182

703.893.0300 voice
703.893.4070 facsimile
www.rogerspllc.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Girls on the Run of NOVA

Opinion

We have audited the accompanying financial statements of Girls on the Run of NOVA, ("the Organization"), which comprise the statement of financial position as of June 30, 2024; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, 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 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Rogers + Company PLLC

Vienna, Virginia
December 8, 2024

Girls on the Run of NOVA

Statement of Financial Position
June 30, 2024

Assets		
Cash and cash equivalents	$	389,667
Investments		320,618
Accounts receivable		1,168
Contributions receivable		53,116
Prepaid expenses and other assets		14,615
Inventory		7,969
Right-of-use asset – operating lease		190,218
Security deposits		7,803
Total assets	$	985,174
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$	59,349
Lease liability – operating lease		199,872
Total liabilities		259,221
Net Assets		
Without donor restrictions		652,953
With donor restrictions		73,000
Total net assets		725,953
Total liabilities and net assets	$	985,174

See accompanying notes.

Girls on the Run of NOVA

Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Program revenue	$ 686,838	$ -	$ 686,838
Sponsorship	33,063	56,000	89,063
Grants and contributions	137,489	45,000	182,489
In-kind contributions	69,090	-	69,090
Investment return, net	26,474	-	26,474
Special events	13,604	-	13,604
Net assets released from restrictions	72,331	(72,331)	-
Total revenue and support	1,038,889	28,669	1,067,558
Expenses			
Program services	683,176	-	683,176
Supporting services:			
Development and fundraising	166,940	-	166,940
Management and general	259,194	-	259,194
Total supporting services	426,134	-	426,134
Total expenses	1,109,310	-	1,109,310
Change in Net Assets	(70,421)	28,669	(41,752)
Net Assets, beginning of year	723,374	44,331	767,705
Net Assets, end of year	$ 652,953	$ 73,000	$ 725,953

Girls on the Run of NOVA

Statement of Functional Expenses
For the Year Ended June 30, 2024

		Supporting Services			
	Program Services	Development and Fundraising	Management and General	Total Supporting Services	Total Expenses
Salaries and benefits	$ 359,078	$ 119,446	$ 80,670	$ 200,116	$ 559,194
Payroll taxes	24,865	8,294	5,333	13,627	38,492
Professional service	11,117	16,518	99,176	115,694	126,811
Office expense	1,599	1,349	5,746	7,095	8,694
Occupancy	33,732	11,223	7,556	18,779	52,511
Operational	27,699	1,980	310	2,290	29,989
Meals and entertainment	2,641	1,058	543	1,601	4,242
Travel expense	2,876	442	616	1,058	3,934
Insurance	-	-	8,644	8,644	8,644
Program expense	61,027	-	-	-	61,027
5K expense	146,564	118	-	118	146,682
In-kind expense	11,978	6,512	50,600	57,112	69,090
Total Expenses	$ 683,176	$ 166,940	$ 259,194	$ 426,134	$ 1,109,310

See accompanying notes.

Girls on the Run of NOVA

Statement of Cash Flows
For the Year Ended June 30, 2024

Cash Flows from Operating Activities	
Change in net assets	$ (41,752)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Net unrealized and realized gain on investments	(10,906)
Amortization on right-of-use asset – operating lease	43,214
Change in operating assets and liabilities:	
Decrease (increase) in:	
Accounts receivable	370
Contributions receivable	(7,116)
Prepaid expenses and other assets	(206)
Inventory	(4,483)
Increase (decrease) in:	
Accounts payable and accrued expenses	546
Lease liability – operating lease	(41,870)
Net cash used in operating activities	(62,203)
Cash Flows from Investing Activities	
Proceeds from sale of investments	185,431
Purchase of investments	(190,503)
Net cash used in investing activities	(5,072)
Net Decrease in Cash and Cash Equivalents	(67,275)
Cash and Cash Equivalents, beginning of year	456,942
Cash and Cash Equivalents, end of year	$ 389,667

See accompanying notes.

1. Nature of Operations

Girls on the Run of NOVA ("the Organization") is a nonprofit organization incorporated under the laws of Virginia for the purpose of inspiring girls to be joyful, healthy, and confident using a fun, experience-based curriculum, which creatively integrates running. The Organization is an independent council of Girls on the Run International (GOTR International) that provides curriculum, training, and support to over 200 local Girls on the Run councils across the United States and Canada who deliver the program using a certified coach, working to expand the program within its designated territory, handling its own surpluses and deficits of cash, following lesion plans as laid out in the program materials, and adhering to the core values and branding guidelines of GOTR International. The current membership agreement commenced on July 1, 2022, concluded on June 30, 2023, and automatically renews annually for a one-year term subject to notice given by GOTR International.

Girls on the Run councils provide an experiential learning program for girls in grades three through eight that combined training for a 3.1-mile running event with self-esteem enhancing, uplifting workouts. The positive youth development program delivers a core curriculum that addresses many aspects of girls' development, including their physical, emotional, mental, and social well-being. Lessons provide girls with the tools to make positive decisions and to avoid risky adolescent behaviors. The Organization is funded by a combination of program fees, corporate sponsorships, corporate and individual grants, and donations.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Organization's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation (continued)

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash Equivalents

The Organization considers cash equivalents as all highly liquid investments, including money market funds not held for long-term investment purposes, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. Excluded from this definition of cash equivalents are amounts held for investment.

Investments

Investments are recorded at fair value based on quoted market prices. All realized and unrealized gains and losses, and management fees, are reported as a component of net investment return in the accompanying statement of activities.

Accounts Receivable

Accounts receivable consist primarily of amounts due from host organizations for the general fellowship program. All accounts receivable are expected to be collected within one year and are recorded at net realizable value. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. No allowance for credit losses has been established at June 30, 2024, as all amounts are deemed fully collectible.

2. Summary of Significant Accounting Policies (continued)

Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when a promise is received. All contributions receivable are expected to be collected within one year and are recorded at net realizable value. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. No allowance for uncollectible contributions receivable has been established at June 30, 2024, as all amounts are deemed fully collectible.

Property and Equipment

Property and equipment with a cost greater than $2,500 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to five years. Expenditures for maintenance and repairs are expensed as incurred.

Inventory

Inventory includes featured products such as ornaments, jackets, and mugs, which are branded with the Organization's logo. Inventory is recorded at cost (using specific identification), and is expensed when used. No allowance was recorded for inventory obsolescence at June 30, 2024.

Leases

The Organization determined if an arrangement is a lease at inception. Operating lease is included in right of use (ROU) asset, which represents the Organization's right to use an underlying asset for the lease terms, and lease liability represents the Organization's obligation to make payment arising from leases. Operating ROU lease asset and liability are recognized at the commencement date based on the present value of lease payments over the lease term. As the Organization's lease does not provide an implicit rate, the Organization used a risk-free rate based on the information available at the commencement date in determining the present value of lease payments.

The ROU asset also includes any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met.

The Organization reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Organization's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization also receives sponsorships for various events. These sponsorships are considered nonreciprocal and are recognized as contributions. Sponsorships are reported as restricted support if received with donor or grantor stipulations that limit the use of the donated assets.

Revenue Accounted for as Contracts with Customers

Revenue is recognized when the Organization satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Organization expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Organization combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred program revenue in the statement of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for as Contracts with Customers (continued)

Specifically, for the various types of contracts, the Organization recognizes revenue as follows:

Program revenue is received from program registrations during the period when the program is being offered (Spring and Fall). Financial assistance is given to girls who participate in Virginia's Free and Reduced Lunch program, daughters of volunteer coaches, siblings, and military families. Fees are also charged to runners (excluding girls and coaches who participate in the program) who participate in the 3.1-mile running event. The fee charged to runners is recognized as revenue on race days. For the year ended June 30, 2024, $546,470 was recognized for program registrations. For the year ended June 30, 2024, approximately $133,856 was recognized as revenue for race days and is included in program fees.

Special events revenue are recognized at the time the event takes place, which is when the sole performance obligation is satisfied. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

In-Kind Contributions

The value of contributions that enhance a nonfinancial asset, which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying statement of activities as in-kind contributions. The Organization receives in-kind contributions from various foundations and individual donors. In-kind contributions consist of donated food, gift cards, and services that benefit both program and supporting services. In-kind contributions are recognized as revenue and expense in the accompanying statement of activities at their estimated fair value, as provided by the donor, at the date of receipt, or calculated fair value of use of property in the period the property is used.

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Adopted Accounting Pronouncement

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), *Measurement of Credit Losses on Financial Instruments.* This ASU addresses measurement and reporting of credit losses related to accounts receivable, notes receivable, leases receivable, and held-to-maturity debt securities. The ASU mandates the current expected credit loss model, which measures and reports expected losses over the contractual life of an asset. The measurement of expected life credit losses will be based on relevant information, not just past events (including historical experience and current conditions), but also the “reasonable and supportable” forecasts that affect collectability of the reported amount. This guidance is effective for the Organization for the year ended June 30, 2024. The Organization adopted ASU 2016-13 during the year ended June 30, 2024, and has adjusted the presentation in the financial statements as permitted by ASU 2016-13.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 8, 2024, the date the financial statements were available to be issued.

3. Liquidity and Availability

The Organization strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of this liquidity management, the Organization's cash in excess of monthly requirements is segregated in various accounts to maintain liquidity outside of operational checking accounts.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2024:

Cash and cash equivalents	$ 389,667
Short-term investment	268,382
Accounts receivable	1,168
Contributions receivable	53,116
Total financial assets	712,333
Less: restricted by donors	(73,000)
Total available for general expenditures	$ 639,333

4. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Organization maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

5. Investments

The Organization follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures,* for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, the Organization uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The Organization invests in certificates of deposit, which are valued based on quoted prices for instruments that are identical or similar in markets that are not active and for which all significant inputs are observable, either directly or indirectly, in active markets. As such, these assets are classified as Level 2.

The following table presents the Organization's fair value hierarchy for those investments measured on a recurring basis at June 30, 2024:

	Level 1	Level 2	Level 3	Total
Equities:				
Mutual funds	$ 255,061	$ -	$ -	$ 255,061
ETFs	13,321	-	-	13,321
Certificates of deposit	-	52,236	-	52,236
Total investments	$ 268,382	$ 52,236	$ -	$ 320,618

5. Investments (continued)

Net investment return consists of the following for the year ended June 30, 2024:

Interest and dividends	$	18,298
Net realized and unrealized gain		10,906
Less: management fees		(2,730)
Total investment return, net	$	26,474

6. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at June 30, 2024:

Sponsorship for future events	$	28,000
Health Equity Opportunities		25,000
GOTR Program Access for Low Income Participants		10,000
Strength and Confidence for Arlington Youth		10,000
Total net assets with donor restrictions	$	73,000

7. In-Kind Contributions

In-kind contributions consisted of the following for the year ended June 30, 2024:

Gift cards and food related to marketing of the 5K events	$	49,000
Consulting services		20,090
Total in-kind contributions	$	69,090

8. Operating Lease

The Organization entered into an office space lease in Fairfax, Virginia, effective May 1, 2018. The original lease required monthly payments of $3,449, with annual increases of 2.5%, and included a three-month rent abatement period. The lease was set to expire on August 4, 2023. In November 2022, the lease was extended through August 4, 2028. Under the extension, monthly payments were adjusted to $4,018, with annual increases of 3%.

Supplemental qualitative information related to the operating lease is as follows at June 30, 2024:

Operating lease cost	$	50,479
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flows from operating lease	$	48,107
Remaining lease term (in years)		4.1
Discount rate		2.88%

Maturities of the lease liability under the Organization's operating lease are as follows for the years ending June 30:

2025	$	49,551
2026		51,037
2027		52,568
2028		54,145
2029		4,523
Total future lease payments		211,824
Less: discount to present value at 2.88%		(11,952)
Present value of operating lease liability	$	199,872

9. Related Party Transactions

For the year ended June 30, 2024, the Organization paid approximately $32,000 in annual renewal and service fees to GOTR International. Additionally, the Organization received $3,923 in contributions without donor restrictions during the same period. As of June 30, 2024, there were no outstanding amounts owed to GOTR International.

10. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include salaries, payroll taxes, fringe benefits, professional fees, advertising, staff travel and meetings, supplies and equipment, communications, insurance, office rent, and other business expenses, which are allocated on the basis of estimates of time and effort.

11. Retirement Plan

Effective January 1, 2013, the Organization adopted a 401(k) plan ("the Plan") in which all employees age 21 or older and with three months of service are eligible to participate. The Organization elected not to make discretionary contributions to the Plan for the year ended June 30, 2024.

12. Income Taxes

The Organization is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is exempt from income taxes except for taxes on unrelated business activities. For the year ended June 30, 2024, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded. Management evaluated the Organization's tax positions and concluded that the financial statements do not include any uncertain tax positions.