



**AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2018 AND 2017**

GIRLS ON THE RUN OF ATLANTA, INC.
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JUNE 30, 2018 AND 2017

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Jones and Kolb
Certified Public Accountants
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Girls on the Run of Atlanta, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of Girls on the Run of Atlanta, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls on the Run of Atlanta, Inc. as of June 30, 2018 and 2017, 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.

Jones and Kolb

November 5, 2018

GIRLS ON THE RUN OF ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 343,453	\$ 303,801
Certificate of deposit	-	37,935
Pledges receivable	111,059	2,050
Prepaid expenses	-	3,790
Investments	17,513	-
	472,025	347,576
PROPERTY AND EQUIPMENT		
Property and equipment, at cost	14,868	14,868
Less accumulated depreciation	13,401	12,544
	1,467	2,324
Total assets	\$ 473,492	\$ 349,900

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 8,435	\$ 5,195
Accrued payroll liability	10,200	8,100
	18,635	13,295
NET ASSETS		
Unrestricted	321,415	330,017
Temporarily restricted	133,442	6,588
	454,857	336,605
Total liabilities and net assets	\$ 473,492	\$ 349,900

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

GIRLS ON THE RUN OF ATLANTA, INC.
STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 116,558	\$ 230,176	\$ 346,734
Registration fees	337,043	-	337,043
In-kind donations	32,602	-	32,602
Sponsorships	30,166	-	30,166
Merchandise sales	13,246	-	13,246
Special event, net	6,058	-	6,058
Interest income	1,314	-	1,314
Unrealized loss on investments	(89)	-	(89)
	<u>536,898</u>	<u>230,176</u>	<u>767,074</u>
Total support and revenue			
	<u>103,322</u>	<u>(103,322)</u>	<u>-</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
EXPENSES			
Program services	526,171	-	526,171
General and administrative	59,138	-	59,138
Fundraising	63,513	-	63,513
	<u>648,822</u>	<u>-</u>	<u>648,822</u>
Total expenses			
	<u>(8,602)</u>	<u>126,854</u>	<u>118,252</u>
CHANGE IN NET ASSETS			
NET ASSETS			
Beginning of year	<u>330,017</u>	<u>6,588</u>	<u>336,605</u>
NET ASSETS			
End of year	<u>\$ 321,415</u>	<u>\$ 133,442</u>	<u>\$ 454,857</u>

The accompanying notes to financial statements
is an integral part of this statement.

GIRLS ON THE RUN OF ATLANTA, INC.
STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 92,036	\$ 54,000	\$ 146,036
Registration fees	329,529	-	329,529
In-kind donations	67,345	-	67,345
Sponsorships	26,276	-	26,276
Merchandise sales	8,607	-	8,607
Special event, net	3,209	-	3,209
Interest income	1,041	-	1,041
	<u>528,043</u>	<u>54,000</u>	<u>582,043</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
	<u>67,412</u>	<u>(67,412)</u>	<u>-</u>
EXPENSES			
Program services	512,379	-	512,379
General and administrative	58,861	-	58,861
Fundraising	58,490	-	58,490
	<u>629,730</u>	<u>-</u>	<u>629,730</u>
CHANGE IN NET ASSETS	(34,275)	(13,412)	(47,687)
NET ASSETS			
Beginning of year	<u>364,292</u>	<u>20,000</u>	<u>384,292</u>
NET ASSETS			
End of year	<u>\$ 330,017</u>	<u>\$ 6,588</u>	<u>\$ 336,605</u>

The accompanying notes to financial statements
is an integral part of this statement.

GIRLS ON THE RUN OF ATLANTA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018				2017			
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, benefits and payroll taxes	\$ 236,585	\$ 43,203	\$ 56,432	\$ 336,220	\$ 211,369	\$ 43,846	\$ 53,483	\$ 308,698
5K events	115,734	-	-	115,734	124,768	25	-	124,793
Participant materials	86,437	4	-	86,441	87,880	-	375	88,255
Professional fees	22,549	8,467	699	31,715	22,512	7,296	-	29,808
Office and storage space rental	21,994	2,819	2,146	26,959	20,846	2,603	2,084	25,533
Travel	12,331	1,586	1,472	15,389	5,935	584	1,120	7,639
Office expenses	10,228	835	1,386	12,449	10,985	1,120	667	12,772
Taxes and licenses	10,564	53	15	10,632	13,121	505	-	13,626
Insurance	4,933	1,314	1,363	7,610	6,707	818	655	8,180
Merchandise	4,816	-	-	4,816	8,256	-	106	8,362
Depreciation	-	857	-	857	-	2,064	-	2,064
Total expenses	\$ 526,171	\$ 59,138	\$ 63,513	\$ 648,822	\$ 512,379	\$ 58,861	\$ 58,490	\$ 629,730

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

GIRLS ON THE RUN OF ATLANTA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 118,252	\$ (47,687)
 ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES:		
Depreciation	857	2,064
Donation of fixed asset	-	(350)
Unrealized loss on investments	89	-
Change in pledges receivable	(109,009)	(2,050)
Change in prepaid expenses	3,790	(3,790)
Change in accounts payable	3,240	5,195
Change in accrued payroll liability	2,100	8,100
	19,319	(38,518)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturity of certificate of deposit	37,935	-
Purchase of investments	(17,602)	-
Purchase of certificate of deposit	-	(274)
	20,333	(274)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	39,652	(38,792)
 CASH AND CASH EQUIVALENTS		
Beginning of year	303,801	342,593
 CASH AND CASH EQUIVALENTS		
End of year	\$ 343,453	\$ 303,801

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

GIRLS ON THE RUN OF ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Girls on the Run of Atlanta, Inc. (the "Organization") is a nonprofit organization that uses the power of running to educate and prepare 3rd through 8th grade girls for a lifetime of self-respect and healthy living. The program combines training for a 5k event with interactive lessons that encourage positive physical and social-emotional development. The Organization operates in Cobb, Fulton, DeKalb and Gwinnett Counties. The Organization qualifies as a publicly-supported tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization funds its activities primarily through registration fees and contributions received from individuals, businesses and other organizations.

B. The Organization's policy is to prepare its financial statements on the accrual basis of accounting in conformity with accounting policies generally accepted in the United States of America ("GAAP"); consequently, contributions are recognized when earned and expenses are recognized when the obligation is incurred. Qualified in-kind donations are recorded as revenue and expenses in the Statements of Activities and Net Assets.

C. Net assets, revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Organization records contributions of cash and other assets as unrestricted income unless specifically restricted by the donor. Restricted contributions are recorded as restricted income. When the donor stipulation expires, the temporarily restricted net assets are reclassified to unrestricted net assets and are reported as net assets released from restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that are required to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. At June 30, 2018 and 2017, the Organization did not have any permanently restricted net assets.

D. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

GIRLS ON THE RUN OF ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

E. The Organization records unconditional pledges in the period made by donors and allowances are provided for amounts estimated as uncollectible. All contributions are available for unrestricted purposes unless specifically restricted by the donor. At June 30, 2018 and 2017, all pledges receivable were considered collectible.

F. Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which are five years. Additions and replacements exceeding \$2,500 are charged to the property accounts, while repairs and maintenance are charged to expense as incurred. Depreciation expense for the years ended June 30, 2018 and 2017 was \$857 and \$2,064, respectively.

G. A substantial number of volunteer hours have been donated by individuals in the Organization's program services and, to a lesser extent, its fundraising campaigns and administration. In accordance with GAAP, only donations of services that create or enhance nonfinancial assets, or require specialized skills that would otherwise typically be purchased, are recorded as support, revenue and expenses.

H. The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Amounts held in financial institutions occasionally are in excess of the FDIC limits. The Organization deposits its cash with high quality financial institutions, and management believes that the Organization is not exposed to significant credit risk on those amounts.

I. Investments, which consist of mutual funds, are stated at fair value. Investment income and realized and unrealized gains and losses are recorded as changes in unrestricted net assets, temporarily restricted net assets or permanently restricted net assets depending on any donor stipulations on the use of the income.

J. The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the accompanying Statements of Activities and Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are allocated include office space, general office and travel, which are allocated based on their specific function, as well as salaries and benefits, which are allocated on the basis of estimated time and effort.

K. The Organization is exempt from Federal income taxes under the provisions of Section 501(c)(3) of the United States Internal Revenue Code. As such, only unrelated business income as defined by Section 512(a)(1) of the Code is subject to tax. The Organization had no unrelated business income for the years ended June 30, 2018 and 2017.

GIRLS ON THE RUN OF ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

L. Subsequent events have been evaluated by management through November 5, 2018, the date these financial statements were available to be issued.

2. PLEDGES RECEIVABLE

At June 30, 2018 and 2017, the Organization had pledges receivable of \$111,059 and \$2,050, respectively, which are primarily receivable in less than one year.

3. FAIR VALUE OF INVESTMENTS

Generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs (Level 1) and minimizes the use of unobservable inputs (Level 3) by requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets or liabilities in active markets. Level 2 within the hierarchy states that valuations are based on quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets or other observable inputs other than quoted market prices. Level 3 within the hierarchy states that valuations are based on unobservable inputs which are significant to the fair value measurement.

As of June 30, 2018 and 2017, the only assets or liabilities that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments and a certificate of deposit, respectively. Mutual funds are valued at the closing price reported on the active market on which the individual securities are traded and are classified within Level 1 of the valuation hierarchy. The certificate of deposit is valued based on market rates for similar federally insured certificates of deposit and is classified within Level 2 of the valuation hierarchy. At June 30, 2018, the mutual funds (Level 1) were valued at \$17,513. At June 30, 2017, the certificate of deposit (Level 2) was valued at \$37,935.

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$133,442 and \$6,588 were restricted for program implementation at June 30, 2018 and 2017, respectively. During the years ended June 30, 2018 and 2017, \$103,322 and \$67,412 was released from restriction for program implementation and scholarships, respectively.

GIRLS ON THE RUN OF ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

5. RELATED PARTY TRANSACTIONS

The Organization has signed a membership agreement with Girls on the Run International, Inc. ("International") that gives International control over how the Organization carries out certain activities. International also provides program and fundraising assistance to the Organization, and, in return, the Organization pays a membership fee to International based upon the number of girls served and gross revenue. Membership fees paid to International for the years ended June 30, 2018 and 2017 totaled \$10,074 and \$13,031, respectively.

6. LEASES

The Organization is obligated under a lease agreement for office space located in Atlanta, Georgia. The lease agreement which was scheduled to expire on August 31, 2018 calls for annual increases in rent. In July 2018, the lease was amended for additional office space and an extension of the lease until August 31, 2023.

Total rent expense for the years ended June 30, 2018 and 2017 was \$26,822 and \$25,533, respectively. Future minimum lease payments are due as follows:

Year Ending	Amount
June 30, 2019	\$ 36,793
June 30, 2020	39,737
June 30, 2021	40,927
June 30, 2022	42,155
June 30, 2023	43,422
June 30, 2024	7,272
Total future minimum lease payments	\$ 210,306

7. RETIREMENT SAVINGS PLAN

Beginning in October 2017, the Organization offers a SIMPLE IRA plan that covers substantially all employees. The Organization contributes three percent of each employee's salary to a SIMPLE IRA as a retirement contribution. The Organization's contributions totaled \$10,089 for the year ended June 30, 2018.