



**AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2020 AND 2019**

GIRLS ON THE RUN OF ATLANTA, INC.
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JUNE 30, 2020 AND 2019

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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, 2020 and 2019, 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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Jones and Kolb

November 12, 2020

GIRLS ON THE RUN OF ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 377,221	\$ 343,567
Pledges receivable	-	44,273
Prepaid expenses	4,141	8,308
Investments	83,656	71,925
 Total current assets	 465,018	 468,073
 PROPERTY AND EQUIPMENT		
Property and equipment, at cost	14,868	14,868
Less accumulated depreciation	14,602	14,082
 Total property and equipment	 266	 786
 Total assets	 \$ 465,284	 \$ 468,859

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 5,778	\$ 3,958
Accrued payroll liability	-	14,164
Refundable advance	72,370	-
Commitment	4,822	3,887
 Total current liabilities	 82,970	 22,009
 NET ASSETS		
Without donor restrictions	369,814	360,684
With donor restrictions	12,500	86,166
 Total net assets	 382,314	 446,850
 Total liabilities and net assets	 \$ 465,284	 \$ 468,859

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

GIRLS ON THE RUN OF ATLANTA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 161,091	\$ 114,547	\$ 275,638
Registration fees	270,246	-	270,246
In-kind donations	14,393	-	14,393
Sponsorships	48,442	-	48,442
Merchandise sales	10,798	-	10,798
Special event, net	7,099	-	7,099
Investment income	1,187	-	1,187
Realized and unrealized gain on investments	11,656	-	11,656
Total support and revenue	<u>524,912</u>	<u>114,547</u>	<u>639,459</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>188,213</u>	<u>(188,213)</u>	<u>-</u>
EXPENSES			
Program services	600,207	-	600,207
General and administrative	51,757	-	51,757
Fundraising	52,031	-	52,031
Total expenses	<u>703,995</u>	<u>-</u>	<u>703,995</u>
CHANGE IN NET ASSETS	9,130	(73,666)	(64,536)
NET ASSETS			
Beginning of year	<u>360,684</u>	<u>86,166</u>	<u>446,850</u>
NET ASSETS			
End of year	<u>\$ 369,814</u>	<u>\$ 12,500</u>	<u>\$ 382,314</u>

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

GIRLS ON THE RUN OF ATLANTA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 145,357	\$ 140,250	\$ 285,607
Registration fees	319,000	-	319,000
In-kind donations	30,328	-	30,328
Sponsorships	40,952	-	40,952
Merchandise sales	17,761	-	17,761
Special event, net	8,987	-	8,987
Investment income	1,908	-	1,908
Realized and unrealized gain on investments	3,795	-	3,795
	<u>568,088</u>	<u>140,250</u>	<u>708,338</u>
Total support and revenue			
NET ASSETS RELEASED FROM RESTRICTIONS	<u>187,526</u>	<u>(187,526)</u>	<u>-</u>
EXPENSES			
Program services	579,164	-	579,164
General and administrative	73,763	-	73,763
Fundraising	63,418	-	63,418
	<u>716,345</u>	<u>-</u>	<u>716,345</u>
Total expenses			
CHANGE IN NET ASSETS	39,269	(47,276)	(8,007)
NET ASSETS			
Beginning of year	<u>321,415</u>	<u>133,442</u>	<u>454,857</u>
NET ASSETS			
End of year	<u>\$ 360,684</u>	<u>\$ 86,166</u>	<u>\$ 446,850</u>

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

GIRLS ON THE RUN OF ATLANTA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020				2019			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Salaries, benefits and payroll taxes	\$ 334,171	\$ 31,228	\$ 44,237	\$ 409,636	\$ 258,665	\$ 44,352	\$ 55,870	\$ 358,887
Participant materials	132,352	4	5	132,361	123,530	83	1,750	125,363
5K events	44,130	-	-	44,130	97,381	-	-	97,381
Office and storage space rental	32,998	4,219	3,959	41,176	27,784	10,486	2,711	40,981
Professional fees	18,434	8,844	585	27,863	20,453	8,633	454	29,540
Office expenses	7,941	3,149	1,250	12,340	7,630	6,366	758	14,754
Taxes and licenses	9,329	1,989	296	11,614	14,569	125	-	14,694
Merchandise	9,023	-	-	9,023	12,494	-	-	12,494
Insurance	6,858	976	836	8,670	6,565	154	192	6,911
Travel	4,971	828	863	6,662	10,093	2,883	1,683	14,659
Depreciation	-	520	-	520	-	681	-	681
Total expenses	\$ 600,207	\$ 51,757	\$ 52,031	\$ 703,995	\$ 579,164	\$ 73,763	\$ 63,418	\$ 716,345

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, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (64,536)	\$ (8,007)
 ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Depreciation	520	681
Realized and unrealized gain on investments	(11,656)	(3,795)
Change in pledges receivable	44,273	66,786
Change in prepaid expenses	4,167	(8,308)
Change in accounts payable	1,820	(4,477)
Change in accrued payroll liability	(14,164)	3,964
Change in refundable advance	72,370	-
Change in commitment	935	3,887
	<u>33,729</u>	<u>50,731</u>
Net cash and cash equivalents provided by operating activities	<u>33,729</u>	<u>50,731</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,931	1,472
Purchase of investments	(2,006)	(52,089)
	<u>(75)</u>	<u>(50,617)</u>
Net cash and cash equivalents used in investing activities	<u>(75)</u>	<u>(50,617)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>33,654</u>	<u>114</u>
 CASH AND CASH EQUIVALENTS		
Beginning of year	<u>343,567</u>	<u>343,453</u>
 CASH AND CASH EQUIVALENTS		
End of year	<u>\$ 377,221</u>	<u>\$ 343,567</u>

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, 2020 AND 2019

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. The Organization classifies net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions.

Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating that resources be maintained in perpetuity. The donors of these assets permit the Organization to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are gifts for which restrictions have not been met.

When restrictions expire (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 Statements of Activities and Net Assets as "net assets released from restrictions."

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

GIRLS ON THE RUN OF ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

E. 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.

F. 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.

G. 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, 2019, all pledges receivable were considered collectible.

H. 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.

I. 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, 2020 and 2019 was \$520 and \$681, respectively.

J. In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new standard, as amended, supersedes existing revenue recognition guidance and applies to all entities that enter into contracts to provide goods or services to customers, requiring them to account for revenue from contracts with customers under a single five-step model. The new standard became effective for the Organization on July 1, 2019 and was applied to open contracts as of that date using the modified retrospective approach. There was no material impact on the accompanying financial statements as a result of the new standard.

GIRLS ON THE RUN OF ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

The majority of the Organization's revenues are from contributions and registration fees. Contributions, which are not included in the scope of ASC 606, are recognized as revenue when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Registration fees, which totaled \$270,246 for the year ended June 30, 2020, are accounted for as exchange transactions and are included under the scope of ASC 606. The Organization's performance obligation related to registration fees is to conduct an event or program. Registration revenue is recognized at a point in time, when the performance obligation is satisfied.

K. 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.

L. The Organization is exempt from Federal and state income taxes under the provisions of Section 501(c)(3) of the United States Internal Revenue Code. Therefore, no provision for income taxes is reflected in these financial statements. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that, more likely than not, would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that, as of June 30, 2020 and 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the accompanying financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods.

M. Certain prior year amounts have been reclassified to conform to the current year financial statements presentation.

N. Subsequent events have been evaluated by management through November 12, 2020, the date these financial statements were available to be issued.

GIRLS ON THE RUN OF ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

2. LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position's date, comprise the following as of June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 364,721	\$ 299,401
Pledges receivable	-	2,273
Investments	<u>83,656</u>	<u>71,925</u>
Total	<u>\$ 448,377</u>	<u>\$ 373,599</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

3. PLEDGES RECEIVABLE

At June 30, 2019, the Organization had pledges receivable of \$44,273, which are primarily receivable in less than one year.

4. 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, 2020 and 2019, the only assets or liabilities that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments. The Organization's investments consist of mutual funds which 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. At June 30, 2020 and 2019, the mutual funds (Level 1) were valued at \$83,656 and \$71,925, respectively.

GIRLS ON THE RUN OF ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

5. REFUNDABLE ADVANCE

The Organization entered into a Paycheck Protection Program Promissory Note with Tandem Bank on April 7, 2020, in the amount of \$72,730. The loan was made under and is subject to the terms and conditions of the Paycheck Protection Program, which was established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted on March 27, 2020, and is administered by the U.S. Small Business Administration. The loan has a maturity date of April 7, 2022 and a fixed annual interest rate of 1%. The Organization intends to seek forgiveness for this loan and considers it a conditional grant following guidance from FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition. Accordingly, the receipt of cash has been accounted for as a refundable advance on the Statement of Financial Position until the conditions (including incurring eligible expenses, limitations on reductions to compensation, meeting certain full-time equivalent (FTE) headcount requirements and once final forgiveness has been approved) have been substantially met.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of \$12,500 and \$86,166 and were restricted for program implementation at June 30, 2020 and 2019, respectively. During the years ended June 30, 2020 and 2019, \$188,213 and \$187,526, respectively, was released from restriction for program implementation.

7. 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, 2020 and 2019 totaled \$11,874 and \$13,779, respectively.

8. COMMITMENT

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, 2020 and 2019 was \$41,176 and \$40,981, respectively. Subsequent to the year ended June 30, 2020, the Organization entered into an amended lease agreement with the landlord to reduce monthly rent to 50% of the current rate for the first 12 months and extend the lease to August 31, 2024.

GIRLS ON THE RUN OF ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Future minimum lease payments after the lease amendment are due as follows:

Year Ending	Amount
June 30, 2021	\$ 25,020
June 30, 2022	39,306
June 30, 2023	43,845
June 30, 2024	45,160
June 30, 2025	7,563
Total future minimum lease payments	\$ 160,894

9. RETIREMENT SAVINGS PLAN

Effective 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 \$8,243 and \$8,981 for the years ended June 30, 2020 and 2019, respectively.

10. COVID-19 CONSIDERATIONS

In December, 2019, a novel strain of coronavirus ("COVID-19") surfaced and was officially declared a pandemic by the World Health Organization on March 11, 2020. The virus has had a significant effect on the economy globally. As a result, the Organization has been materially impacted by the societal changes required to effectively combat COVID-19.

In response to the pandemic, the Organization has made accommodations to continue operating and fulfill its mission. The Organization adopted and trained its staff on new health and safety protocols and social distancing and later re-engaged with volunteers in small group and individual projects. In addition, the Organization canceled all in-person events and converted them to virtual events. It is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, operations, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects on its results of operations, financial condition or liquidity for fiscal year 2021.