

**GIRLS ON THE RUN GREATER HOUSTON**  
**Financial Statements**  
**December 31, 2023 and 2022**

*Independent Auditors' Report*

Board of Directors  
**Girls on the Run Greater Houston**

***Opinion***

We have audited the accompanying financial statements of Girls on the Run Greater Houston which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years 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 Girls on the Run Greater Houston as of December 31, 2023 and 2022, and the results of its operations 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Girls on the Run Greater Houston and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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.

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 Girls on the Run Greater Houston's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, 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 Girls on the Run Greater Houston'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 Girls on the Run Greater Houston'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.

*PWR CPA, LLP*

PWR CPA, LLP  
Houston, Texas  
February 9, 2024

**GIRLS ON THE RUN GREATER HOUSTON**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 and 2022**

	<b><u>ASSETS</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
Current assets:		
Cash and cash equivalents	\$ 368,519	\$ 421,363
Contributions receivable	-	-
Prepaid expenses	<u>14,385</u>	<u>905</u>
Total current assets	382,904	422,268
Property and equipment, net	5,926	3,917
Right of use assets – Operating leases	<u>41,176</u>	<u>58,161</u>
Total assets	<u>\$ 430,006</u>	<u>\$ 484,346</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities:		
Accounts payable	\$ 10,316	\$ 1,979
Accrued expenses and other payables	28,308	39,050
Deferred registration and fundraiser event income	-	10,000
Lease obligations - current	<u>25,147</u>	<u>22,189</u>
Total current liabilities	63,771	73,218
Lease obligations – long-term	<u>21,437</u>	<u>43,779</u>
Total liabilities	<u>85,208</u>	<u>116,997</u>
Net Assets:		
Without donor restrictions	344,798	367,349
With donor restrictions	<u>-</u>	<u>-</u>
Total net assets	<u>344,798</u>	<u>367,349</u>
Total liabilities and net assets	<u>\$ 430,006</u>	<u>\$ 484,346</u>

See accompanying notes to financial statements.

**GIRLS ON THE RUN GREATER HOUSTON**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>
Revenues and support:		
Registration fees	\$ 144,867	\$ -
Sponsors and donations	194,192	-
Event registrations	52,600	-
Grants	25,286	-
Fundraiser events, net (Note 1)	90,414	-
Interest income	<u>18,313</u>	<u>-</u>
Total revenue and support	<u>525,672</u>	<u>-</u>
Expenses:		
Program services	473,104	-
Management and general	48,282	-
Fund raising	<u>26,837</u>	<u>-</u>
Total expenses	<u>548,223</u>	<u>-</u>
Increase (decrease) in net assets	(22,551)	-
<b>Net assets - beginning of year</b>	<u>367,349</u>	<u>-</u>
<b>Net assets - end of year</b>	<u><u>\$ 344,798</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**GIRLS ON THE RUN GREATER HOUSTON**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>
Revenues and support:		
Registration fees	\$ 134,694	\$ -
Sponsors and donations	100,392	-
Event registrations	40,649	-
Grants	245,889	-
Fundraiser events, net (Note 1)	39,425	-
Interest income	<u>4,405</u>	<u>-</u>
Total revenue and support	<u>565,454</u>	<u>-</u>
Expenses:		
Program services	421,934	-
Management and general	41,384	-
Fund raising	<u>26,028</u>	<u>-</u>
Total expenses	<u>489,346</u>	<u>-</u>
Increase (decrease) in net assets	76,108	-
<b>Net assets - beginning of year</b>	<u>291,241</u>	<u>-</u>
<b>Net assets - end of year</b>	<u><u>\$ 367,349</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**GIRLS ON THE RUN GREATER HOUSTON**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (22,551)	\$ 76,108
Depreciation and amortization	19,835	14,407
Adjustments to reconcile increase (decrease) in net assets to cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Prepaid expenses	(13,480)	(341)
Accounts payable	8,337	(1,135)
Accrued expenses and other payables	(10,742)	26,448
Right-of-use operating lease assets	8,412	4,879
Deferred registration and fundraiser event income	<u>(10,000)</u>	<u>(5,000)</u>
Net cash provided by (used in) operating activities	<u>(20,189)</u>	<u>115,366</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(4,859)</u>	<u>(4,037)</u>
Net cash used in investing activities	<u>(4,859)</u>	<u>(4,037)</u>
Cash flows from financing activities;		
Payments on right-of-use lease liabilities	<u>(27,796)</u>	<u>(9,124)</u>
Net cash used in financing activities	<u>(27,796)</u>	<u>(9,124)</u>
Net increase (decrease) in cash	(52,844)	102,205
<b>Cash, beginning of year</b>	<u>421,363</u>	<u>319,158</u>
<b>Cash, end of year</b>	<u>\$ 368,519</u>	<u>\$ 421,363</u>
<u>Non-cash operating activities:</u>		
Right-of-use assets obtained in exchange for lease obligations	<u>\$ -</u>	<u>\$ 72,751</u>

See accompanying notes to the financial statements.

**GIRLS ON THE RUN GREATER HOUSTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

Note 1 – Summary of Significant Accounting Policies

The major accounting policies of Girls on the Run Greater Houston (“the Organization”) are summarized below to assist the reader in understanding the Organization’s financial statements.

Organization and purpose

Girls on the Run Greater Houston, a corporation, is a non-profit organization incorporated in 2004 under the laws of Texas 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 training and support to girls in the Greater Houston area including Harris, Fort Bend, and Montgomery counties. Girls on the Run Greater Houston operates as an independent council through a licensing program with Girls on the Run International (“GOTRI”) of Charlotte, North Carolina, which provides curriculums, training, support, and structure to over 170 independent and affiliated councils in the United States and Canada. The membership agreement with GOTRI runs year to year, and the current agreement expires June 30, 2024. The Organization provides an experiential learning program for girls in grades three through eight that combines training for a 5K running event with character building and 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 avoid risky adolescent behaviors.

The Organization qualifies as tax exempt under Internal Revenue Code Section 501(c)(3). The Organization is funded by a combination of corporate and individual grants and donations, corporate sponsorships, program registration fees, and registration fees for events.

Basis of accounting

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Cash and cash equivalents

The Organization considers cash and cash equivalents to include all financial institution deposits with an original maturity of ninety days or less. The Organization has a cash equivalent of \$10,000 in U.S. Treasury I-Bonds purchased on January 23, 2023, paying interest of 6.47% with an original maturity of 5 years, redeemable at any time with a penalty of 3 months past interest.



**GIRLS ON THE RUN GREATER HOUSTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

Note 1 – Summary of Significant Accounting Policies - (Continued)

Prepaid expenses

The Organization recognizes insurance expense ratably over the life of the policies. Prepaid insurance as of December 31, 2023 and 2022 was \$989 and \$905, respectively. Prepaid expenses for the 2024 fundraiser was \$13,396 as of December 31, 2023.

Property and equipment

Property and equipment are recorded at cost. 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. Useful lives for property and equipment are three years.

Deferred revenue

Deferred revenue consists of sponsorships for a variety of after school and summer programs at specific elementary schools. The Organization recognizes revenues upon completion of these programs, or the event.

Net assets

Net assets without donor restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Trustees (the “Board”) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which make them unavailable for use at management’s discretion. For example, the Board has designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Organization’s long-term financial viability.

**GIRLS ON THE RUN GREATER HOUSTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

Note 1 – Summary of Significant Accounting Policies - (Continued)

Net assets with donor restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. At December 31, 2023 and December 31, 2022, there are no donor restricted net assets.

Revenues and support

Registration fees and event registrations

Registration fees are recognized upon receipt of payment by the registrant. Event registration fees are recognized when payment or a promise to pay has been received and the associated event has concluded.

Contributions received in order to fund these events are recorded as deferred revenue until the event occurs. As of December 31, 2023 and 2022, the amount of deferred revenue recorded was \$-0- and \$10,000, respectively.

Sponsors and donations

The Organization solicits and enters into agreements with various corporate sponsors and sponsorship proceeds are recognized in the period in which they are received. Many volunteers have contributed significant amounts of their time to the activities of the Organization. However, since those donated services neither create nor enhance nonfinancial assets nor require specialized skills, the value of the contributed services is not recorded in the accompanying financial statements. Management has estimated that contributed services are \$35,000 for pro bono accounting services and \$874,000 for 691 volunteer coaches, 5k volunteers, and Board of Directors.

Grants

Grants are recognized when the donor provides the donation in the form of a check or cash or when the Organization has received an unconditional promise to give.

**GIRLS ON THE RUN GREATER HOUSTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

Note 1 – Summary of Significant Accounting Policies - (Continued)

Fundraiser events (net)

Fundraising events are recorded at the net profit of the events so as to not distort the effect of the expenses on the mission of the Organization. This is consistent with non-profit accounting and tax reporting principles.

Estimates

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

Allocation of expenses

The cost of providing various programs and other activities has been summarized on a functional and natural classification in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting activities.

Lease

The Organization determines if an arrangement includes a lease at the inception of the agreement. For each of our lease arrangements, we record a right-of-use asset representing our right to use an underlying asset for the lease term and a lease liability representing our obligation to make lease payments. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the net present value of lease payments over the lease term. In determining the discount rate used to calculate the net present value of lease payments, we use our incremental borrowing rate based on the information available at the lease commencement date. Our leases may include options to extend or terminate the lease which are included in the lease term when it is reasonably certain that we will exercise any such options. Lease expense for our operating leases is recognized on a straight-line basis over the lease term. We have elected not to apply the recognition requirements of *ASU 2016-02, Leases* (Topic 842) for short-term leases.

Administrative costs

The Organization receives “pro bono” donated accounting services from a relative of its President.

**GIRLS ON THE RUN GREATER HOUSTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

Note 1 – Summary of Significant Accounting Policies - (Continued)

Effect of recent accounting pronouncements

Accounting Standards Adopted in 2023

On January 1, 2023, the Organization adopted ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. There was no impact on the Organization’s financial statements from the adoption of the new standard.

The Organization has reviewed all recently issued, but not yet adopted, accounting standards, in order to determine their effects, if any, on its results of operations, financial position, or cash flows. Based on that review, the Organization believes that no other pronouncements will have a significant effect on its financial statements.

Note 2 – Property and Equipment, Net

Property and equipment are summarized as follows at December 31, 2023 and 2022:

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Furniture and equipment	\$ 21,968	\$ 17,109
Less: accumulated depreciation	<u>(16,042)</u>	<u>(13,192)</u>
Property and equipment, net	<u>\$ 5,926</u>	<u>\$ 3,917</u>

Depreciation expense totaled \$2,850 and \$2,355 for the years ended December 31, 2023 and 2022, respectively. During 2023 and 2022 the Organization purchased furniture and equipment totaling \$4,859 and \$4,037, respectively.

**GIRLS ON THE RUN GREATER HOUSTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

Note 3 – Functional Expenses

The Organization’s functional expenses for the years ended December 31, 2023 and 2022 are comprised of the following:

<b><u>2023</u></b>	<b><u>Total Expenses</u></b>	<b><u>Program Services</u></b>	<b><u>Mgmt. and General</u></b>	<b><u>Fund Raising</u></b>
After school program expenses	\$ 51,667	\$ 51,667	\$ -	\$ -
Salaries	294,782	265,304	14,739	14,739
5-K race expenses	85,407	85,407	-	-
Conferences, conventions, meetings	11,102	9,386	858	858
Program license fees	14,545	-	14,545	-
Insurance	6,761	6,761	-	-
Payroll taxes and benefits	39,596	35,636	1,980	1,980
IT expenses	1,850	1,480	-	370
Fees for services (non-employees)	7,270	-	7,270	-
Advertising and promotion	948	316	316	316
Office expenses and miscellaneous	31,445	15,723	7,861	7,861
Depreciation	2,850	1,424	713	713
<b>Total</b>	<b>\$ 548,223</b>	<b>\$ 473,104</b>	<b>\$ 48,282</b>	<b>\$ 26,837</b>
<b><u>2022</u></b>	<b><u>Total Expenses</u></b>	<b><u>Program Services</u></b>	<b><u>Mgmt. and General</u></b>	<b><u>Fund Raising</u></b>
After school program expenses	\$ 61,163	\$ 61,163	\$ -	\$ -
Salaries	253,100	227,790	12,655	12,655
Payroll taxes and benefits	26,906	24,215	1,345	1,346
5-K race expenses	72,134	72,134	-	-
Conferences, conventions, meetings	13,693	10,954	1,370	1,369
Program license fees	9,889	-	9,889	-
Insurance	4,857	4,857	-	-
Fees for services (non-employees)	5,903	-	5,903	-
IT expenses	2,182	1,746	-	436
Advertising and promotion	4,105	1,368	1,368	1,369
Office expenses and miscellaneous	33,059	16,529	8,265	8,265
Depreciation	2,355	1,178	589	588
<b>Total</b>	<b>\$ 489,346</b>	<b>\$ 421,934</b>	<b>\$ 41,384</b>	<b>\$ 26,028</b>

**GIRLS ON THE RUN GREATER HOUSTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

Note 4 – Available Resources and Liquidity

The Organization monitors liquidity required to meet its operating needs and other contractual commitments. The Organization has cash and cash equivalents at its disposal. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its the purpose of inspiring girls to be joyful, healthy, and confident using a fun, experience-based curriculum which creatively integrates running as well as the conduct of services undertaken to support those activities to be general expenditures.

As of December 31, 2023, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ <u>368,519</u>
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Note 5 – Commitments

The Organization operating leases include its office space. The Company has not identified any material finance leases as of December 31, 2023 and 2022. For the years ended December 31, 2023 and 2022, the Company had \$25,531 and \$26,051 in lease expense, respectively.

The Organization has recorded the Right-to-Use Asset associated with the lease of its office space at a net value of \$41,176 at December 31, 2023, and the corresponding Right-to-Use Liability of \$46,584 for the same lease at December 31, 2022.

The following is a maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating lease liabilities as of December 31, 2023:

Years ending December 31,

2024	\$ 28,432
2025	<u>19,308</u>
Total	47,740
Less: imputed interest	<u>(1,156)</u>
Operating lease liabilities	<u>\$ 46,584</u>

Weighted average remaining lease term - years	<u>1.67</u>
Weighted average discount rate	<u>10.0%</u>

**GIRLS ON THE RUN GREATER HOUSTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 and 2022**

Note 6 - Subsequent Events

Management has evaluated subsequent events through February 9, 2024, the date on which the financial statements were available to be issued. Management has not deemed any subsequent events significant enough for disclosure.