

GIRLS ON THE RUN LAS VEGAS
FINANCIAL STATEMENTS
JUNE 30, 2022

**GIRLS ON THE RUN LAS VEGAS
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Independent Auditor's Report

To the Board of Directors
Girls on the Run Las Vegas

Opinion

We have audited the accompanying financial statements of Girls on the Run Las Vegas (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and 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 Girls on the Run Las Vegas (the "Organization") as of June 30, 2022, 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.

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.



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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.

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.

Ellsworth & Stout, LLC

Las Vegas, Nevada
September 22, 2022

**GIRLS ON THE RUN LAS VEGAS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022**

ASSETS

Current Assets:

Cash and cash equivalents	\$	206,180
Accounts receivable		9,500
Investments		11,713
Inventory		15,730
Total current assets		<u>243,123</u>
Total Assets	\$	<u>243,123</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$	400
Accrued expenses		11,132
Deferred revenue		27,500
Total current liabilities		<u>39,032</u>

Net Assets:

Without donor restrictions		<u>204,091</u>
Total Liabilities and Net Assets	\$	<u>243,123</u>

See accompanying notes to the financial statements.

**GIRLS ON THE RUN LAS VEGAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net Assets without Donor Restrictions

Revenue and other support:	
Grant income	\$ 100,182
Program revenue	72,256
Contributions	53,881
Sponsorship income	27,500
Merchandise sales	10,821
Interest and other income	12
	<u>264,652</u>
Expenses:	
Program services	159,681
Supporting services:	
Management and general	54,930
Fundraising	10,596
	<u>225,207</u>
Other income (expense):	
Gain on extinguishment of debt	22,045
	<u>61,490</u>
Increase in Net Assets	61,490
Net Assets, Beginning of Year	<u>142,601</u>
Net Assets, End of Year	<u><u>\$ 204,091</u></u>

See accompanying notes to the financial statements.

**GIRLS ON THE RUN LAS VEGAS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Dues and subscriptions	\$ 5,107	\$ -	\$ -	\$ 5,107
Insurance	2,046	733	275	3,054
Lease expense	9,160	3,282	1,231	13,673
Office expense	4,675	1,675	628	6,978
Professional fees	2,784	27,522	618	30,924
Program expense	74,978	-	-	74,978
Salaries and related expenses	55,601	19,917	7,469	82,987
Travel expenses	5,330	1,801	375	7,506
	<u>\$ 159,681</u>	<u>\$ 54,930</u>	<u>\$ 10,596</u>	<u>\$ 225,207</u>

See accompanying notes to the financial statements.

**GIRLS ON THE RUN LAS VEGAS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

Cash Flows from Operating Activities

Increase in net assets	\$	61,490
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Gain on extinguishment of debt		(22,045)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable		(7,270)
(Increase) decrease in inventory		(11,975)
Increase (decrease) in accounts payable		400
Increase (decrease) in accrued expenses		11,132
Increase (decrease) in deferred revenue		27,500
		<hr/>
Net cash provided by operating activities		59,232

Cash Flows from Investing Activities

Purchase of investments		(11,713)
		<hr/>

Net Increase in Cash and Cash Equivalents 47,519

Cash and Cash Equivalents, Beginning of Year 158,661

Cash and Cash Equivalents, End of Year \$ 206,180

See accompanying notes to the financial statements.

**GIRLS ON THE RUN LAS VEGAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Girls on the Run Las Vegas (the “Organization”) is presented to assist in understanding the Organization’s financial statements. The financial statements and notes are representations of the Organization’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of the Organization

The Organization was incorporated on December 17, 2010, as a nonprofit 501(c)(3) corporation under the laws of the State of Nevada.

The Organization is a developmental youth sports program (DYS) for 3rd – 8th grade girls that combines goal-oriented training for a 3.1-mile (5k) distance with positive youth development curriculum. The mission of the Organization is to inspire girls to be joyful, healthy, and confident using a fun, experience-based curriculum which creatively integrates running. The program boosts self-esteem and empowers girls, encouraging them to engage in healthy, active lifestyles that will translate to a lifetime of good choices and positive behaviors.

In addition to the physical training, the Organization’s program includes a three-part curriculum based on physical, psychological, and social developmental aspects. Over a 10-week period, teams consisting of 8-20 girls and 3 coaches meet twice a week for 90-minute sessions. During each session, girls go through a warmup, stretch, and strengthen period, workout, and processing time where they receive a healthy snack and talk about what they learned that day. The workouts are conducted either on school grounds, neighboring parks, or local Boys & Girls Clubs. The sessions are built around a week’s specific lesson delivered by trained coaches equipped with program-funded supplies and easy-to-follow curriculum.

In spring 2016, the Las Vegas council added the “Heart & Sole” curriculum to its program offerings and now extends their impact to the 6th – 8th grades as well. Heart & Sole uses the “girl wheel” to help direct participant-led sessions involving the brain, heart, spirit, body, and social aspects seen in this stage of girl development. Whether in the elementary or middle school program, all sessions are designed to be fun and interactive while delivering important life-skill messaging, encouraging peer-to-peer connections, promoting community mindedness, physical activity, and overall wellness.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Organization presents a classified statement of financial position with additional qualitative information about the availability of resources and liquidity in Note 2.

The accompanying financial statements have been presented in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations, principally Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958 (as amended by Accounting Standards Update (ASU) 2016-14), the Organization is required to report information regarding its financial position and changes in financial position according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions. The classification of net assets is based on the existence or absence of donor-imposed restrictions. Net assets are released from donor restriction by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other event specified by donors.

**GIRLS ON THE RUN LAS VEGAS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Investments

The Organization carries investments in marketable securities with readily determinable fair values based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that the estimated fair values may differ from the amount that might ultimately be realized and those differences could be material. Unrealized gains and losses are included in the accompanying statement of activities.

Receivables

Receivables are stated net of an allowance for doubtful accounts. The allowance is based on an analysis of specific donors, taking into consideration the age of the past due amounts and an assessment of the donor's ability to pay. As of June 30, 2022, no allowance to receivables for uncollectible amounts were deemed necessary.

Inventory

Inventories are valued at the lower of cost or market value. Donated items are recorded at estimated fair value at the date of donation.

Revenue Recognition

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

Contributions may be considered conditional or non-conditional. A conditional contribution exists if a) one or more barrier exists and b) the right to receive or retain payment or delivery of the promised asset depends on meeting those barriers. In cases of ambiguous donor stipulations or stipulations that are not clearly unconditional are presumed to be conditional. Conditional contributions are recognized when conditions have been substantially met or waived by the donor. Non-conditional contributions are recognized when received or right to receive is obtained through documentation.

**GIRLS ON THE RUN LAS VEGAS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Grant revenue may be considered a contribution, entirely an exchange transaction, or a combination of the two. If a grant is considered a contribution, it is recognized as described in the above paragraph. If a grant is considered an exchange transaction, it falls under the guidance of Topic 606 and additional steps are taken to ensure correct recording of revenue. The performance obligation is satisfied when the services outlined in the grant contract are rendered. For the year ending June 30, 2022, all exchange grant revenue was recognized at a point in time when services were performed.

Program revenue is recognized at a point in time when services are performed and payment becomes receivable upon service completion.

Merchandise sales are related to clothing and accessory sales and net proceeds are used to fund programs within the Organization. The performance obligation is satisfied when a transfer of goods has taken place. Revenue is recognized at a point in time when sales occur.

Income Taxes

In November 2011, the Organization received notification from the Internal Revenue Service that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi). As such, the Organization is exempt from Federal income tax. Therefore, no provision for income taxes is made in the accompanying financial statements.

Management has evaluated the tax positions taken within their tax returns and does not believe there are any significant uncertain positions taken on the returns.

As of June 30, 2022, the tax years that remain subject to potential examination by taxing authorities begin with 2019.

Advertising

Advertising costs are expensed as incurred.

Allocation Methodology

The statement of functional expenses presents expenditures by both their nature and their function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on management's estimate of time and effort, except for the expenses labeled dues and subscriptions, and program expense which are direct expenses.

NOTE 2 – LIQUIDITY AND AVAILABILITY

As of June 30, 2022, the Organization has \$199,893 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of \$173,680 of cash and cash equivalents, \$9,500 of receivables, and \$11,713 of investments. Contractual or donor imposed restrictions are not available for general expenditure. As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

GIRLS ON THE RUN LAS VEGAS
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 – FAIR VALUE MEASUREMENTS

The Organization measures certain financial assets and liabilities at fair value on a recurring basis, and certain non-financial assets and liabilities on a nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Fair value disclosures are reflected in a three-level hierarchy, maximizing the use of observable inputs and minimizing the use of unobservable inputs.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2 – inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

As of June 30, 2022, assets measured at fair value consisted of the following:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Recurring fair value measurements:				
Mutual funds	<u>\$ 11,713</u>	<u>\$ 11,713</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 – SUBSEQUENT EVENTS

Management of the Organization has evaluated subsequent events through September 22, 2022, the date on which the financial statements were available to be issued. No events were identified that would require additional disclosure.