

Girls on the Run of
Northwest Illinois
Financial Statements
For the Year Ended
June 30, 2025

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

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Independent Auditor's Report

To the Board of Directors of
Girls on the Run of Northwest Illinois

We have reviewed the accompanying financial statements of Girls on the Run of Northwest Illinois (a nonprofit organization) which comprise the statement of financial position as of June 30, 2025 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

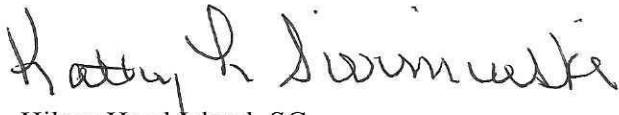
Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Girls on the Run of Northwest Illinois and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script, reading "Kathy R. Swinwick".

Hilton Head Island, SC
October 30, 2025

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2025

Assets

Current Assets

Unrestricted Cash	\$ 315,444
Beneficial Interest in Assets Held by Others	49,515
Prepaid Expenses	<u>3,500</u>

Total Current Assets 368,459

Other Asset - Right-of-Use Asset-Operating Lease 3,874

Total Assets \$ 372,333

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 3,663
Accrued Expenses	6,102
Operating Lease Liability	<u>3,874</u>

Total Liabilities 13,639

Net Assets - Without Donor Restrictions 358,694

Total Liabilities and Net Assets \$ 372,333

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

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

JUNE 30, 2025

Changes in Net Assets Without Donor Restrictions

Revenue, Support, and Gains (Losses)

Program Service	\$ 183,674
Contributions	51,018
Race Events	41,970
Fundraising Events, Net of Costs of Direct Benefit to Donors of \$2,881	14,871
Grant Income	54,584
Income and Loss on Beneficial Interest in Assets Held by Others	<u>11,470</u>

Total Revenue, Support, and Gains 357,587

Expenses

General and Administrative	61,163
Fundraising	30,582
Program Services	<u>275,524</u>

Total Expenses 367,269

Decrease in Net Assets Without Donor Restrictions (9,682)

Net Assets - Without Donor Restrictions, Beginning of Year 368,376

Net Assets - Without Donor Restrictions, End of Year \$ 358,694

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

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

STATEMENT OF FUNCTIONAL EXPENSES

JUNE 30, 2025

	General and Administrative	Fundraising	Program Services	Total
Salaries	\$ 43,658	\$ 21,829	\$ 152,801	\$ 218,288
Program			59,118	59,118
Dues and Subscriptions	104	52	366	522
Grants			339	339
Insurance	1,085	543	3,797	5,425
Licensing	5,007	2,503	17,523	25,033
Marketing	89	45	312	446
Office and General	1,611	805	5,637	8,053
Payroll Taxes	3,441	1,721	12,045	17,207
Professional Fees	1,386	693	4,850	6,929
Rent	3,060	1,530	10,710	15,300
Retirement and Other Benefits	1,123	562	3,932	5,617
Scholarships			2,000	2,000
Telephone and Internet	514	257	1,797	2,568
Travel	85	42	297	424
Total	<u>\$ 61,163</u>	<u>\$ 30,582</u>	<u>\$ 275,524</u>	<u>\$ 367,269</u>

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

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

STATEMENT OF CASH FLOWS

JUNE 30, 2025

Cash Flows From Operating Activities:	
Change in Net Assets	\$ (9,682)
Adjustments to Reconcile Changes in Net Assets to	
Net Cash Provided By (Used In) Operating Activities:	
Net Change in Beneficial Assets Held by Others	(4,552)
(Increase) Decrease in Assets:	
Prepaid Expenses	(76)
Increase (Decrease) in Liabilities:	
Accounts Payable	1,205
Accrued Liabilities	<u>1,737</u>
Net Cash Provided By Financing Activities	<u>(11,368)</u>
Decrease in Cash	(11,368)
Cash, Beginning of Year	<u>326,812</u>
Cash, End of Year	<u><u>\$ 315,444</u></u>

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

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

Notes to Financial Statements

Note 1 - Nature of activities

The Girls on the Run of Northwest Illinois (the Organization) is a life-changing, non-profit prevention program for girls in the 3rd through 8th grade and is operated primarily in Northern Illinois. The Organization is an independent 501(c)(3) organization of Girls on the Run International, which has a network of over 190 locations across the United States of America and Canada.

The Organization's mission is to inspire girls to be joyful, healthy and confident using a fun, experience-based curriculum which creatively integrates running. The objective of the Organization is to educate and empower girls at an early age in order to prevent the display of at-risk activities in the future. Girls on the Run combines training for a 5K (3.1 miles) running event with healthy living education. The Organization's programs instill self-esteem through health education, life skills development, mentoring relationships, and physical training – all of which are accomplished through an active collaboration with girls and their parents, schools, volunteers, staff and the community.

Note 2 - Significant accounting policies

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation

The financial statements reflect all significant assets and liabilities of the Organization. The financial statements have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net assets classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

Notes to Financial Statements

Note 2 - Significant accounting policies, cont'd

nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization does not have any donor restrictions as of June 30, 2025.

Donor restricted contributions (if applicable) are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand, demand deposits and temporary cash investments. Cash equivalents are generally short-term highly liquid investments with maturities of three months or less.

Concentration of credit risk

The Organization maintains their cash balances in financial institutions. The balances are insured by the Federal Deposit Insurance Corporation. At June 30, 2025, the Organization had uninsured cash balances of approximately \$70,000.

Donated assets

Donated noncash assets are recorded as contributions at their estimated fair value at the time of the donation. There were no donated assets for the year ended June 30, 2025.

Donated services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Functional allocation of expenses

The statement of functional expenses presents the expenses by function and natural classification. Expenses directly attributable to specific functional areas are reported as expenses of those functional areas. Certain categories of expenses that are attributed to one or more program or supporting function of the Organization include salaries, supplies, consultants, utilities, repairs & maintenance, payroll expenses, insurance, professional fees, interest, and other, which were allocated based on estimates of time and effort done on a yearly basis.

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

Notes to Financial Statements

Note 2 - Significant accounting policies, cont'd

Leases

The Organization calculates operating lease liabilities with a risk-free discount rate at the lease commencement date using a comparable period with the lease term. Lease right-of-use assets are recognized based on the initial present value of the fixed lease payments, reduced by landlord incentives, plus any direct costs from executing the leases. Variable lease payments are expensed as incurred and do not factor into the measurement of the applicable lease liability or lease right-of-use asset. Lease right-to-use assets are amortized over the life of the lease.

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 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 reporting period. Accordingly, actual results could differ from those estimates.

Date of management's review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 30, 2025, the date that the financial statements were available for issuance.

Note 3 – Beneficial interest in assets held by others

The Organization has contributed assets to a community foundation held by McHenry County Community Foundation (MCCF). MCCF matched the contribution with another fund which is also held by MCCF and remains the property of MCCF. The principal invested by the Organization may be withdrawn by following agreement guidelines. Income from the two funds less fees may be distributed to the Organization as directed by the Organization. As of June 30, 2025, the Organization had not applied for any principal distributions. These designated funds are valued at approximately \$49,515 at June 30, 2025.

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

Notes to the financial statements

Note 3 – Beneficial interest in assets held by others, cont'd

The additional fund which exists at a community foundation that does not meet the criteria of a beneficial interest in funds held by other. As such, these assets are not recorded by the Organization and are excluded from the Statement of Financial Position.

The activity in the fund invested by the Organization consisted of the following for the fiscal year ended June 30, 2025:

Beneficial interest in assets held by others at June 30, 2024	\$ 44,963
Investment gains and losses – net	5,456
Grant expense	(339)
Investment fees	<u>(565)</u>
Beneficial interest in assets held by others at June 30, 2025	<u>\$ 49,515</u>

Note 4 – Fair value measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2

Inputs to the valuation methodology include (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

Notes to the financial statements

Note 4 – Fair value measurements, cont'd

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Beneficial interest in assets held by others consists of funds held by a community foundation. The beneficial interest is not actively traded and significant other observable inputs are not available. Thus, the fair value is equal to the value reported by the trustee.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in assets held by others	<u>\$ -</u>	<u>\$ -</u>	<u>\$49,515</u>	<u>\$49,515</u>

Note 5 – Income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly, has made no provision for federal income taxes in the accompany financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation with the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended June 30, 2025.

The Organization adopted the accounting for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken on its income tax returns. In evaluating the Organization's tax provisions and accruals, the Organization believes that its estimates are appropriate and the Organization has no material unrecognized income tax positions. The Organization's tax filings are subject to audit by various taxing authorities. At June 30, 2025, the Organization is no longer subject to examination by federal and state taxing authorities for the periods ending before 2021.

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

Notes to the financial statements

Note 6 – Program service

The Organization provides an experiential afterschool program that uses the power of running to prepare girls for a lifetime of self-respect and healthy living. The curriculum creatively incorporates training for a 5k run with lessons that encourage third through eighth grade girls to develop essential life skills. Through interactive activities such as running, playing games and discussing important issues, young girls experience the joy of being themselves.

During the ten-week program, girls are empowered with a greater sense of self-awareness, a foundation in team building and a sense of achievement. Lessons are designed to enhance the social, mental, physical and emotional health of girls. The lessons inspire the girls to be strong, contented and self-confident young women who intentionally choose an authentic and healthy lifestyle. Each session is led by trained coaches who guide and mentor girls through a fun and uplifting curriculum. Coaches teach specific life lessons such as dealing with body image and media, resisting peer pressure, making healthy decisions and contributing to their community.

Note 7 – Lease

The Organization leases its office space under an operating lease agreement which expired on September 30, 2024 and required monthly rental fee of \$1,200. A lease extension agreement was entered into for October 1, 2024 through September 30, 2025 for a monthly rental fee of \$1,300. Another extension was signed for October 1, 2025 through September 30, 2026 for a monthly rental fee of \$1,350. Rent expense was \$15,300 and is included in the Organization's occupancy expenses for the year ended June 30, 2025.

Operating lease right of use asset and operating lease liability as of June 30, 2025 was as follows:

Right of use asset – operating lease	<u>\$ 3,874</u>
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Operating lease liability	<u>\$ 3,874</u>
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The future minimal rental commitment under this lease is as follows:

Year ending June 30, 2026	\$ 16,050
Year ending June 30, 2027	4,050
	<u>\$ 20,100</u>

The weighted average discount rate was 3.96%. The lease has a weighted average remaining lease term of 0.25 years.

GIRLS ON THE RUN OF NORTHWEST ILLINOIS

Notes to the financial statements

Note 8 – Liquidity and availability of financial assets

The following table reflects certain of the Organization's financial assets as of June 30, 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or are classified as restricted cash, long-term notes receivable and other long-term investments.

Cash and cash equivalents	\$ 315,444
Beneficial interest in assets held by others	49,515
Prepaid expenses	<u>3,500</u>
Financial assets available to meet cash needs	
for general expenditures within one year	<u><u>\$ 368,459</u></u>

The Organization has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. The Organization has current liabilities of \$13,639 at June 30, 2025.

Note 9 – Subsequent event

The Organization extended their lease for office space to September 30, 2026 for a monthly rental fee of \$1,300.