



FINANCIAL REPORT

GIRLS ON THE RUN OF NOVA

YEARS ENDED JUNE 30, 2016 AND 2015

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Girls on the Run of NOVA
Fairfax, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Girls on the Run of NOVA, which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets 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.

Auditors' 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 audits 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 auditors' 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 auditors consider internal control relevant to the entity'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 entity'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 NOVA as of June 30, 2016 and 2015, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of functional expenses on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Thompson Greenopon

Fairfax, Virginia
September 21, 2016

GIRLS ON THE RUN OF NOVA

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 326,554	\$ 342,746
Prepaid expenses and other current assets	14,706	20,607
Pledges receivable	79,779	12,865
Total Current Assets	421,039	376,218
Property and Equipment		
Furniture and equipment	26,644	26,644
Software	4,116	4,116
Less: accumulated depreciation and amortization	(20,576)	(13,665)
Net Property and Equipment	10,184	17,095
Other Assets		
Security deposits	6,010	3,410
Total Assets	\$ 437,233	\$ 396,723
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 18,388	\$ 44,642
Payroll liabilities and other current liabilities	28,444	25,216
Total Current Liabilities	46,832	69,858
Net Assets		
Unrestricted	315,251	316,746
Temporarily restricted	75,150	10,119
Total Net Assets	390,401	326,865
Total Liabilities and Net Assets	\$ 437,233	\$ 396,723

The Notes to Financial Statements are an integral part of these statements.

GIRLS ON THE RUN OF NOVA

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue						
Program fees	\$ 853,848	\$ -	\$ 853,848	\$ 879,461	\$ -	\$ 879,461
Sponsorship	19,045	-	19,045	30,016	-	30,016
Donations	159,682	75,150	234,832	121,024	32,230	153,254
Other income	3,625	-	3,625	4,351	-	4,351
Net assets released from restriction	10,119	(10,119)	-	28,411	(28,411)	-
Total Support and Revenue	1,046,319	65,031	1,111,350	1,063,263	3,819	1,067,082
Expenses						
Program	689,489	-	689,489	656,019	-	656,019
Development and fundraising	141,377	-	141,377	132,180	-	132,180
Management and general	216,948	-	216,948	241,895	-	241,895
Total Expenses	1,047,814	-	1,047,814	1,030,094	-	1,030,094
Change in Net Assets	(1,495)	65,031	63,536	33,169	3,819	36,988
Net Assets, beginning of year	316,746	10,119	326,865	283,577	6,300	289,877
Net Assets, end of year	\$ 315,251	\$ 75,150	\$ 390,401	\$ 316,746	\$ 10,119	\$ 326,865

The Notes to Financial Statements are an integral part of these statements.

GIRLS ON THE RUN OF NOVA

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ 63,536	\$ 36,988
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	6,911	3,377
(Increase) Decrease in		
Prepaid expenses and other current assets	5,901	17,269
Pledges receivable	(66,914)	(12,865)
Increase (Decrease) in		
Accounts payable and accrued expenses	(26,254)	16,267
Payroll liabilities and other current liabilities	3,228	6,018
	<u>(13,592)</u>	<u>67,054</u>
Net Cash (Used) Provided by Operating Activities		
Cash Flows from Investing Activities		
Payments for the purchase of property	-	(19,864)
Increase in security deposits	(2,600)	-
	<u>(2,600)</u>	<u>(19,864)</u>
Net Cash Used by Investing Activities		
Net (Decrease) Increase in Cash and Cash Equivalents	(16,192)	47,190
Cash and Cash Equivalents, beginning of year	<u>342,746</u>	<u>295,556</u>
Cash and Cash Equivalents, end of year	<u>\$ 326,554</u>	<u>\$ 342,746</u>

The Notes to Financial Statements are an integral part of these statements.

GIRLS ON THE RUN OF NOVA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Girls on the Run of NOVA (the Organization) is a non-profit organization incorporated under the laws of Virginia for the purpose of inspiring girls to be joyful, healthy and confident using a fun, experience-based curriculum which creatively integrates running. The Organization is an independent council of Girls on the Run International (GOTR International) that provides curriculum, training, and support to over 200 local Girls on the Run councils across the United States and Canada who deliver the program. The membership agreement with GOTR International requires Girls on the Run of NOVA to meet certain requirements such as, but not limited to: delivering the program using a certified coach, working to expand the program within its designated territory, handling its own surpluses and deficits of cash, following lesson plans as laid out in the program materials, and adhering to the core values and branding guidelines of GOTR International. The current membership agreement commenced on March 20, 2013 and concludes on June 30, 2017.

Girls on the Run councils provide an experiential learning program for girls in grades three through eight that combines training for a 3.1-mile running event with self-esteem enhancing, 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 to avoid risky adolescent behaviors. The Organization is funded by a combination of program fees, corporate sponsorships, corporate and individual grants and donations.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, revenue is recognized when earned and expenses are recognized when incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash equivalents include demand deposits and certificates of deposit with original maturities of three months or less.

Program Fees and Financial Assistance

The Organization charges fees for participation in the program. Financial assistance is given to girls who participate in Virginia's Free and Reduced Lunch program, daughters of volunteer coaches, and military families. Fees are also charged to runners (excluding girls who participate in the program) who participate in the 3.1-mile running event.

GIRLS ON THE RUN OF NOVA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sponsorship, Donations and Other Support

The Organization reports sponsorships, donations and other support as restricted support 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 a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restriction. Restricted contributions whose restrictions are met in the same accounting period are reported as unrestricted support.

In addition to cash, the Organization receives goods and services from other organizations. Goods and services received that directly benefit the Organization are recognized at the estimated fair value when the goods are received or the services are rendered. For the year ended June 30, 2016, the Organization recognized approximately \$32,000 of donated goods and services. Approximately \$6,000 of this related to marketing of the running events and \$26,000 related to donated goods and services used at the 3.1-mile running events. The Organization recognized approximately \$38,000 of donated goods and services for the year ended June 30, 2015. Approximately \$16,000 of this related to marketing of the running events, \$14,500 related to donated goods and services used at the 3.1-mile running events, and \$7,500 related to donated legal fees.

Pledges Receivable

The Organization accounts for unconditional promises to give as pledges receivable. A contribution is an unconditional transfer of cash or other assets to the Organization or a settlement or cancellation of its liabilities in a voluntary nonreciprocal transfer by another entity acting other than as an owner. Pledges receivable due within one year are measured at net realizable value and those due in more than one year are measured at the present value of the estimated future cash flows. Changes in the present value of the estimated future cash flows are accounted for as contribution income by the Organization. The Organization has pledges receivable of \$79,779 and \$12,865 as of June 30, 2016 and 2015, respectively, all of which is expected to be collected within one year. Management considers the pledges receivable to be fully collectible; therefore, no provision has been made for pledges receivable that may not be collected in future periods.

Property and Equipment

Property and equipment are stated at cost if purchased and at fair value at the date of contribution if contributed. The Organization capitalizes all assets purchased or donated with a value of over \$500. Management reviews the carrying value of property and equipment to determine if circumstances exist indicating an impairment in such value. If impairment is indicated, an adjustment is made to recorded cost. Expenditures for maintenance and repairs that do not improve or extend the life of an asset are charged to expense as incurred. 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 range from three to five years.

Depreciation and amortization expense for the years ended June 30, 2016 and 2015 was \$6,911 and \$3,377, respectively.

GIRLS ON THE RUN OF NOVA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

The Organization classifies its net assets based upon the existence or lack of donor-imposed restrictions. Unrestricted net assets are those that are not subject to donor-imposed stipulations. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restriction. Temporarily restricted contributions, whose restrictions are met in the same reporting period as the contribution is received, are reported as unrestricted support. As of June 30, 2016, the temporarily restricted funds consist of contributions for Fall 2016, Spring 2017, and Fall 2017 events.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among programs and supporting services benefitted.

Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the Commonwealth of Virginia, the Organization is exempt from taxes on income related to its exempt purpose.

The Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements related to uncertain tax positions.

The Organization files income tax returns in the U.S. Federal jurisdiction. The Organization is not currently under audit by any income tax jurisdiction.

Subsequent Events

The date to which events occurring after June 30, 2016, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is September 21, 2016, which is the date on which the financial statements were available to be issued.

2. LEASES

The Organization leases office space in Fairfax, Virginia that calls for monthly payments of \$3,521 through January 31, 2017 and has the option to renew the lease for an additional 3 years.

The Organization leases additional storage space in Fairfax, Virginia for monthly payments of \$140 through January 31, 2017.

Rent expenses totaled approximately \$46,600 and \$45,400 for the years ended June 30, 2016 and 2015, respectively. Future minimum lease payments for the year ending June 30, 2017 are \$24,747.

GIRLS ON THE RUN OF NOVA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016 AND 2015

3. RETIREMENT PLAN

The Organization adopted a 401(k) plan effective January 1, 2013, in which all employees aged 21 or older and with one year of service are eligible to participate. The Organization elected not to make a discretionary contribution to the Plan for the years ended June 30, 2016 and 2015.

4. RELATED PARTY TRANSACTIONS

The Organization paid approximately \$20,000 and \$23,000 as an annual renewal fee, based on revenues, to Girls on the Run International for the years ended June 30, 2016 and 2015, respectively.

5. CONCENTRATION OF RISK

The Organization maintains its cash accounts with one financial institution which, at times, may exceed federally insured limits of \$250,000. The Organization has not experienced any losses from such accounts.

Approximately 79 percent of sponsorship revenues are from one sponsor for the year ended June 30, 2016. Approximately 45 percent of sponsorship revenues are from three sponsors for the year ended June 30, 2015.

Approximately 29 percent of donations are from one donor for the year ended June 30, 2016. Approximately 13 percent of donations are from one donor for the year ended June 30, 2015.

Approximately 86 percent of pledges receivable is from one donor as of June 30, 2016. The pledges receivable balance is from 4 donors for the year ended June 30, 2015.

GIRLS ON THE RUN OF NOVA

SCHEDULE OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2016

(With Comparative Amounts for June 30, 2015)

	2016			2015	
	Program	Development and Fundraising	Management and General	Total	Total
Expenses					
Salaries and benefits	\$ 212,489	\$ 117,891	\$ 113,777	\$ 444,157	\$ 452,069
Race expenses	286,090	-	-	286,090	287,228
Girls expenses	96,847	-	-	96,847	79,916
Office expense	23,539	1,883	28,201	53,623	47,481
Coach expenses	45,591	-	-	45,591	41,734
Rent	19,938	11,215	10,385	41,538	41,031
Legal and professional fees	-	-	30,630	30,630	20,460
Insurance	2,718	-	20,962	23,680	16,984
Fundraising expenses	-	9,775	-	9,775	12,451
Depreciation and amortization	-	-	6,911	6,911	10,536
Board expenses	-	275	2,935	3,210	7,483
Marketing	1,220	315	1,083	2,618	7,277
Travel	569	23	1,105	1,697	3,377
Website	-	-	939	939	1,353
Other program expenses	488	-	-	488	604
Miscellaneous	-	-	20	20	110
Conferences	-	-	-	-	-
Total Expenses	<u>\$ 689,489</u>	<u>\$ 141,377</u>	<u>\$ 216,948</u>	<u>\$ 1,047,814</u>	<u>\$ 1,030,094</u>