

Let Me Run, Inc
Financial Statements
June 30, 2023

Let Me Run, Inc.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Let Me Run, Inc.
Charlotte, North Carolina

Opinion

We have audited the accompanying financial statements of Let Me Run, Inc. (the "Organization" - a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Let Me Run, Inc. as of June 30, 2023, 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 of 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 Let Me Run, Inc. 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 Let Me Run, Inc.'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 auditors' 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.

Let Me Run, Inc.
Charlotte, North Carolina

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 purposes of expressing an opinion on the effectiveness of Let Me Run, Inc.'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 Let Me Run, Inc.'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Foard & Company, P.A.

December 21, 2023

Let Me Run, Inc.**Statement of Financial Position****June 30, 2023, with prior year comparative totals**

	June 30,	
	2023	2022
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 590,282	\$ 593,738
Receivables:		
Pledges receivable, current	6,741	4,484
Sales tax receivable	3,215	1,831
Prepaid expenses	2,250	23,653
Inventory	25,031	-
<i>Total Current Assets</i>	<i>627,519</i>	<i>623,706</i>
Fixed Assets:		
Signage	22,333	22,333
Equipment	2,234	2,234
Less accumulated depreciation	(24,567)	(24,455)
<i>Total Fixed Assets</i>	<i>-</i>	<i>112</i>
Other Assets:		
Intangible assets	59,917	51,941
Less - accumulated amortization	(50,829)	(45,090)
<i>Total Other Assets</i>	<i>9,088</i>	<i>6,851</i>
<i>TOTAL ASSETS</i>	<i>\$ 636,607</i>	<i>\$ 630,669</i>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accrued expenses	\$ 17,408	\$ 3,632
Accrued payroll	8,469	-
Deferred revenue	150	-
<i>Total Current Liabilities</i>	<i>26,027</i>	<i>3,632</i>
Net Assets:		
Without donor restrictions	555,138	568,591
With donor restrictions	55,942	58,446
<i>Total Net Assets</i>	<i>611,080</i>	<i>627,037</i>
<i>TOTAL LIABILITIES AND NET ASSETS</i>	<i>\$ 637,107</i>	<i>\$ 630,669</i>

Let Me Run, Inc.**Statement of Activities****Year Ended June 30, 2023, with prior year comparative totals**

	Year Ended June 30, 2023			Prior Year Comparative Totals
	Without Donor Restrictions	With Donor Restrictions	TOTALS	
<u>SUPPORT AND REVENUE</u>				
Program tuition and fees, net of \$98,435 scholarships and refunds	\$ 429,323	\$ -	\$ 429,323	\$ 371,060
Contributions	199,692	70,323	270,015	253,101
Extinguishment of debt	-	-	-	205,419
Interest income and other	9,734	-	9,734	1,805
Net assets released from restriction	72,827	(72,827)	-	-
<i>Total Support and Revenue</i>	711,576	(2,504)	709,072	831,385
<u>EXPENSES</u>				
Program services	559,247	-	559,247	357,542
Management and general	128,272	-	128,272	62,665
Fundraising	37,510	-	37,510	18,693
<i>Total Expenses</i>	725,029	-	725,029	438,900
CHANGE IN NET ASSETS	(13,453)	(2,504)	(15,957)	392,485
NET ASSETS, BEGINNING	568,591	58,446	627,037	234,552
NET ASSETS, ENDING	\$ 555,138	\$ 55,942	\$ 611,080	\$ 627,037

Let Me Run, Inc.

Statement of Functional Expenses

Year Ended June 30, 2023, with prior year comparative totals

	Year Ended June 30, 2023				Prior Year Comparative Totals
	Program Services	Management and General	Fundraising	TOTALS	
<u>PERSONNEL</u>					
Salaries	\$ 341,014	\$ 69,847	\$ -	\$ 410,861	\$ 220,992
Payroll taxes	29,492	6,040	-	35,532	19,224
Benefits	7,213	-	-	7,213	-
<i>Total Personnel</i>	<i>377,719</i>	<i>75,887</i>	<i>-</i>	<i>453,606</i>	<i>240,216</i>
<u>OTHER EXPENSES</u>					
5k race expense	65,793	-	-	65,793	53,086
Team supplies	54,082	-	-	54,082	35,728
Marketing	3,755	-	37,510	41,265	21,082
Shipping and fulfillment	16,733	-	-	16,733	12,759
Professional fees	-	25,184	-	25,184	12,350
Contract services	-	8,404	-	8,404	6,059
Other	1,689	13,494	-	15,183	12,611
Rent	6,255	2,681	-	8,936	-
Insurance	6,243	2,622	-	8,865	7,464
Regional/Associate expenses	9,125	-	-	9,125	5,074
Curriculum	3,432	-	-	3,432	20,444
Depreciation and amortization	5,852	-	-	5,852	6,576
Training and materials	7,288	-	-	7,288	4,622
Online processing	1,281	-	-	1,281	829
<i>Total Other Expenses</i>	<i>181,528</i>	<i>52,385</i>	<i>37,510</i>	<i>271,423</i>	<i>198,684</i>
<i>TOTAL EXPENSES</i>	<i>\$ 559,247</i>	<i>\$ 128,272</i>	<i>\$ 37,510</i>	<i>\$ 725,029</i>	<i>\$ 438,900</i>

Let Me Run, Inc.**Statement of Cash Flows****Year Ended June 30, 2023, with prior year comparative totals**

	Year Ended June 30,	
	2023	2022
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ (15,957)	\$ 392,485
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	5,852	6,576
(Increase) decrease in operating assets:		
Pledges receivable	(2,257)	7,016
Sales tax receivable	(1,384)	(1,798)
Inventory	(25,031)	-
Prepaid expense	21,403	22,685
Increase (decrease) in operating liabilities:		
Accrued expenses	13,776	(14,525)
Accrued payroll	8,469	-
Deferred revenue	150	(5,700)
<u>Cash Flows from Operating Activities</u>	<u>5,021</u>	<u>406,739</u>
<u>INVESTING ACTIVITIES</u>		
Purchases of intangible assets	(7,977)	(97)
<u>Cash Flows from Investing Activities</u>	<u>(7,977)</u>	<u>(97)</u>
<u>FINANCING ACTIVITIES</u>		
Repayment of PPP note payable	-	(10,821)
Forgiveness of PPP note payable	-	(205,419)
<u>Cash Flows from Financing Activities</u>	<u>-</u>	<u>(216,240)</u>
NET CHANGE IN CASH	(2,956)	190,402
CASH, BEGINNING	593,738	403,336
CASH, ENDING	\$ 590,782	\$ 593,738

Let Me Run, Inc.

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Let Me Run, Inc. (the “Organization”) is a not for profit organization incorporated in North Carolina. The Organization is a wellness program that inspires boys to be themselves, be active, and belong. With a comprehensive curriculum that applies the power of running, the program encourages boys to develop their psychological, emotional and social health, in addition to their physical health.

Twice a week for seven weeks, two trained volunteer coaches lead an elementary or middle school team through practice. Designed to amplify confidence, self-expression, and respect for others, each practice includes a lesson from the Let Me Run curriculum that incorporates running, games and activities. Each fall and spring season concludes with a 5k race festival that celebrates the boys’ personal growth.

Basis of presentation

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. Net assets and revenues, expenses, gains, and losses are classified 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 without donor restrictions can be both undesignated and designated in nature. Undesignated net assets without donor restrictions are those currently available for use in the day-to-day operation of the Organization and those resources invested in fixed assets. From time to time, the Board of Directors may designate certain amounts to be utilized or invested to meet specific objectives of the Organization.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. These net assets may be temporary in nature, which are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization or the passage of time, and net assets that are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of June 30, 2023, the Organization had no funds to be maintained in perpetuity.

Revenue recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of cash and other assets are considered to be available for undesignated use unless specifically restricted by the donor. Amounts received that are restricted for future periods, or are restricted by the donor for specific purposes, are reported as net assets with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions, if the restriction expires in the period in which the support is recognized.

Program fees are recognized as revenue over the period the instruction or educational service is provided. Scholarships provided to the participants are recognized as a reduction from the posted program fees at the time revenue is recognized.

Fixed assets

Fixed assets with a value of \$500 or more are recorded at cost if purchased or fair value if donated. Depreciation expense is recorded using the straight-line method of depreciation over the estimated useful life of the assets, which is assumed to be three years for the signage and equipment.

Intangible assets

Software cost and website development exceeding \$500 in value is recorded at cost if purchased or fair value if donated. Amortization expense is recorded using the straight-line method of amortization over the estimated useful life of the asset, which is three years.

Federal income tax status

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation as defined by Section 509(a) of the Internal Revenue Code.

Donated services and goods

Donated services and goods are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. The Organization did not receive any donated goods or services during the fiscal year.

In addition, many individuals, including members of the Board of Directors, volunteer their time and perform a variety of tasks that assist the Organization with program services, management, and fundraising efforts. The value of this contributed time is not reflected in these financial statements since it does not meet the above recognition criteria.

New Accounting Pronouncement

The Organization adopted ASU 2016-02, *Leases* (Topic 842) during the year. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either financing or operating, with classifications affecting the pattern of expense recognition in the statement of activities. The new standard had no impact on the Organization's financial statements.

Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported

Let Me Run, Inc.
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June 30, 2023

amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues, and expenses during the reporting period. Actual results could differ from those estimates.

Prior-year comparative totals

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Organization's 2022 financial statements, from which the summarized information was derived.

Inventory

Inventory consists of shirts purchased for events and programs, which are recorded at cost until they are distributed to participants.

Functional expenses

Expenses which are inherently program, management and general, or fundraising, are charged directly to those functions. Personnel expenses are allocated based on management's estimates of time spent. Professional services are allocated based on the type of service incurred. All other expenses are allocated based on an analysis of the various expenses which comprise those costs.

NOTE 2 – PLEDGES RECEIVABLE

Unconditional promises to give are presented net of the allowance for doubtful accounts as calculated by management. Management's assessment of the collectability of receivables is based on a review of individual accounts, historical experience, and current economic conditions. Management has determined that no allowance is needed for promises to give, and all amounts are expected to be collected in the next fiscal year.

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

Restricted net assets as of June 30, 2023, are comprised of cash and consist of the following:

Purpose restricted:		
Scholarship	\$	31,487
Operations		24,455
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TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$	55,942
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NOTE 4 – CONCENTRATIONS OF CREDIT RISK

Geographic location and funding

The Organization primarily operates in a small geographic area and receives support and revenue from a limited number of sources and is, therefore, sensitive to changes in the local economy.

Let Me Run, Inc.

Notes to Financial Statements

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Cash

The Organization regularly maintains cash balances at financial institutions in excess of FDIC insured limits; however, management believes the risk related to the accounts is minimal because of the strong credit rating of the financial institutions.

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$600,988 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure, consisting of cash of \$590,282 and pledges and sales tax receivables of \$10,706, which are expected to be collected within one year. Of these financial assets available, \$31,487 are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial assets to be available as its general liabilities and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in short-term investments, primarily money market funds.

NOTE 6 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the audit report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.