

*LET ME RUN, INC.*

*FINANCIAL STATEMENTS*  
*JUNE 30, 2022*

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# *Let Me Run, Inc.*

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# ***C. DEWITT FOARD & COMPANY, P.A.***

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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, 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 Let Me Run, Inc. 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 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.

Let Me Run, Inc.  
Charlotte, North Carolina

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.

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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*C. Dewitt Ford & Company, P.A.*  
December 2, 2022

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***Let Me Run, Inc.*****Statement of Financial Position****June 30, 2022, with prior year comparative totals**

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	June 30,	
	2022	2021
<b><u>ASSETS</u></b>		
Current Assets:		
Cash	\$ 593,738	\$ 403,336
Receivables:		
Pledges receivable, current	4,484	11,500
Sales tax receivable	1,831	33
Prepaid expenses	23,653	46,338
<b><i>Total Current Assets</i></b>	<b>623,706</b>	<b>461,207</b>
Fixed Assets:		
Signage	22,333	22,333
Equipment	2,234	2,234
Less accumulated depreciation	(24,455)	(23,282)
<b><i>Total Fixed Assets</i></b>	<b>112</b>	<b>1,285</b>
Other Assets:		
Intangible assets	51,941	51,843
Less - accumulated amortization	(45,090)	(39,686)
<b><i>Total Other Assets</i></b>	<b>6,851</b>	<b>12,157</b>
<b><i>TOTAL ASSETS</i></b>	<b>\$ 630,669</b>	<b>\$ 474,649</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
Accrued expenses	\$ 3,632	\$ 18,157
Deferred revenue	-	5,700
Note payable - Payroll Protection Program "PPP"	-	216,240
<b><i>Total Current Liabilities</i></b>	<b>3,632</b>	<b>240,097</b>
Net Assets:		
Without donor restrictions	568,591	164,516
With donor restrictions	58,446	70,036
<b><i>Total Net Assets</i></b>	<b>627,037</b>	<b>234,552</b>
<b><i>TOTAL LIABILITIES AND NET ASSETS</i></b>	<b>\$ 630,669</b>	<b>\$ 474,649</b>

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**Let Me Run, Inc.****Statement of Activities****Year Ended June 30, 2022, with prior year comparative totals**

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	Year Ended June 30, 2022			Prior Year Comparative Totals
	Without Donor Restrictions	With Donor Restrictions	TOTALS	
<b><u>SUPPORT AND REVENUE</u></b>				
Program tuition and fees, net of \$64,679 scholarships and refunds	\$ 371,060	\$ -	\$ 371,060	\$ 8,365
Contributions	204,160	48,941	253,101	136,755
Extinguishment of debt	205,419	-	205,419	-
In-kind contributions	-	-	-	1,136
Interest income and other	1,805	-	1,805	6,779
Net assets released from restriction	60,531	(60,531)	-	-
<b><i>Total Support and Revenue</i></b>	<b>842,975</b>	<b>(11,590)</b>	<b>831,385</b>	<b>153,035</b>
<b><u>EXPENSES</u></b>				
Program services	357,542	-	357,542	97,398
Management and general	62,665	-	62,665	95,001
Fundraising	18,693	-	18,693	20,747
<b><i>Total Expenses</i></b>	<b>438,900</b>	<b>-</b>	<b>438,900</b>	<b>213,146</b>
<b><i>CHANGE IN NET ASSETS</i></b>	<b>404,075</b>	<b>(11,590)</b>	<b>392,485</b>	<b>(60,111)</b>
<b><i>NET ASSETS, BEGINNING</i></b>	<b>164,516</b>	<b>70,036</b>	<b>234,552</b>	<b>294,663</b>
<b><i>NET ASSETS, ENDING</i></b>	<b>\$ 568,591</b>	<b>\$ 58,446</b>	<b>\$ 627,037</b>	<b>\$ 234,552</b>

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**Let Me Run, Inc.****Statement of Functional Expenses****Year Ended June 30, 2022, with prior year comparative totals**

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	Year Ended June 30, 2022				Prior Year Comparative Totals
	Program Services	Management and General	Fundraising	TOTALS	
<b><u>PERSONNEL</u></b>					
Salaries	\$ 187,468	\$ 33,524	\$ -	\$ 220,992	\$ 133,276
Payroll taxes	16,447	2,777	-	19,224	11,361
Benefits	-	-	-	-	3,259
<b><i>Total Personnel</i></b>	<b><i>203,915</i></b>	<b><i>36,301</i></b>	<b><i>-</i></b>	<b><i>240,216</i></b>	<b><i>147,896</i></b>
<b><u>OTHER EXPENSES</u></b>					
5k race expense	53,086	-	-	53,086	75,637
Team supplies	35,728	-	-	35,728	294
Marketing	2,389	-	18,693	21,082	7,820
Shipping and fulfillment	12,759	-	-	12,759	7,129
Professional fees	-	12,350	-	12,350	6,108
Contract services	1,233	4,826	-	6,059	6,260
Other	3,423	9,188	-	12,611	14,280
Rent	-	-	-	-	5,250
Insurance	7,464	-	-	7,464	6,693
Regional/Associate expenses	5,074	-	-	5,074	2,459
Curriculum	20,444	-	-	20,444	2,680
Depreciation and amortization	6,576	-	-	6,576	5,371
Training and materials	4,622	-	-	4,622	528
Online processing	829	-	-	829	378
<b><i>Total Other Expenses</i></b>	<b><i>153,627</i></b>	<b><i>26,364</i></b>	<b><i>18,693</i></b>	<b><i>198,684</i></b>	<b><i>140,887</i></b>
<b><i>TOTAL EXPENSES</i></b>	<b><i>\$ 357,542</i></b>	<b><i>\$ 62,665</i></b>	<b><i>\$ 18,693</i></b>	<b><i>\$ 438,900</i></b>	<b><i>\$ 288,783</i></b>

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***Let Me Run, Inc.*****Statement of Cash Flows****Year Ended June 30, 2022, with prior year comparative totals**

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	Year Ended June 30,	
	2022	2021
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 392,485	\$ (60,111)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	6,576	5,371
(Increase) decrease in operating assets:		
Pledges receivable	7,016	(267)
Sales tax receivable	(1,798)	(33)
Prepaid expense	22,685	614
Increase (decrease) in operating liabilities:		
Accrued expenses	(14,525)	(7,188)
Deferred revenue	(5,700)	(6,160)
<b><u>Cash Flows from Operating Activities</u></b>	<b><u>406,739</u></b>	<b><u>(67,774)</u></b>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchases of fixed assets	(97)	(10,015)
<b><u>Cash Flows from Investing Activities</u></b>	<b><u>(97)</u></b>	<b><u>(10,015)</u></b>
<b><u>FINANCING ACTIVITIES</u></b>		
Repayment of PPP note payable	(10,821)	-
Forgiveness of PPP note payable	(205,419)	-
Proceeds from PPP note payable	-	62,740
<b><u>Cash Flows from Financing Activities</u></b>	<b><u>(216,240)</u></b>	<b><u>62,740</u></b>
<b>NET CHANGE IN CASH</b>	<b>190,402</b>	<b>(15,049)</b>
<b>CASH, BEGINNING</b>	<b>403,336</b>	<b>418,385</b>
<b>CASH, ENDING</b>	<b>\$ 593,738</b>	<b>\$ 403,336</b>



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# *Let Me Run, Inc.*

## Notes to Financial Statements

June 30, 2022

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### 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, 2022, 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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# *Let Me Run, Inc.*

## Notes to Financial Statements

June 30, 2022

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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.

### 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 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 2021 financial statements, from which the summarized information was derived.

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***Let Me Run, Inc.***  
**Notes to Financial Statements**  
**June 30, 2022**

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*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.

**NOTE 3 – REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following table provides information about significant changes in the deferred program and tuition fees paid in advance for the year ended June 30, 2022:

Deferred program and tuition fees, beginning of year	\$ 5,700
Revenue recognized that was included in deferred program and tuition fees at the beginning of year	<u>(5,700)</u>
Deferred program and tuition fees, end of year	<u>\$ -</u>

**NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS**

Restricted net assets as of June 30, 2022, are comprised of cash and consist of the following:

Purpose-restricted:	
Scholarship	\$ 45,071
Operations	<u>13,375</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 58,446</u>

**NOTE 5 – PAYROLL PROTECTION PROGRAM**

The Organization received the first round of the Payroll Protection Program ("PPP") for \$153,500 during the fiscal year ended June 30, 2020. The amount received was recorded as debt. The Organization also received the second round of PPP for \$62,740 during the year ended June 30, 2021. During the fiscal year ended June 30, 2022, the Organization received forgiveness for \$142,679 of the \$153,500, and submitted repayment for the remaining \$10,821. The Organization also received full forgiveness for the \$62,740, and the forgiven amounts are included as extinguishment of debt on the accompanying financial statements.

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# ***Let Me Run, Inc.***

## **Notes to Financial Statements**

**June 30, 2022**

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### **NOTE 6 – 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.

#### *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 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$600,053 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure, consisting of cash of \$593,738 and pledges and sales tax receivables of \$6,315, which are expected to be collected within one year. Of these financial assets available, \$45,071 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 8 – 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.