

**I CHALLENGE MYSELF, INC.**  
**Financial Statements**  
**For the Years Ended June 30, 2022 and 2021**



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**INDEX**

	<u>Page</u>
<b>Independent Accountant's Review Report</b>	1
<b>Financial Statements</b>	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6-13



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
I Challenge Myself, Inc.

We have reviewed the accompanying financial statements of I Challenge Myself, Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the 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 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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagements 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 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 I Challenge Myself, Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### Accountant's Conclusion

Based on our reviews, 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 black ink that reads "Buchbinder Tunick &amp; Company LLP".

BUCHBINDER TUNICK & COMPANY LLP

New York, NY  
January 23, 2023

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— With offices in New Jersey and Maryland —

**I CHALLENGE MYSELF, INC.**  
**Statements of Financial Position**  
**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 76,326	\$ 127,176
Grants receivable	53,215	52,598
Prepaid expenses	6,007	2,443
Property assets, net of accumulated depreciation and amortization of \$94,998 and \$78,743 in 2022 and 2021, respectively	<u>41,005</u>	<u>48,692</u>
Total assets	<u>\$ 176,553</u>	<u>\$ 230,909</u>
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 29,106	\$ 31,060
Paycheck Protection Program loan	<u>-</u>	<u>23,600</u>
Total liabilities	<u>29,106</u>	<u>54,660</u>
<b>Net assets:</b>		
Without donor restrictions	69,427	50,289
With donor restrictions	<u>78,020</u>	<u>125,960</u>
Total net assets	<u>147,447</u>	<u>176,249</u>
Total liabilities and net assets	<u>\$ 176,553</u>	<u>\$ 230,909</u>

See independent accountant's review report and notes to financial statements.

**I CHALLENGE MYSELF, INC.**  
**Statements of Activities**  
**For the years ended June 30, 2022 and 2021**

	2022			2021		
	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions
Revenue:						
Contributions	\$ 235,765	\$ 102,015	\$ 133,750	\$ 231,018	\$ 90,518	\$ 140,500
Government grants	271,887	-	271,887	380,733	-	380,733
Special events	82,081	82,081	-	52,148	52,148	-
Paycheck Protection Program loan forgiveness	-	0	-	-	-	-
Interest and other income	540	540	-	743	743	-
Net assets released from purpose restrictions	-	453,577	(453,577)	-	504,126	(504,126)
	<u>590,273</u>	<u>638,213</u>	<u>(47,940)</u>	<u>664,642</u>	<u>647,535</u>	<u>17,107</u>
Total revenue						
Expenses:						
Program services:						
Fitness, cycling, college career readiness programs	372,946	372,946	-	435,476	435,476	-
Supporting activities:						
Management and general	192,917	192,917	-	132,322	132,322	-
Fundraising	53,212	53,212	-	49,209	49,209	-
	<u>619,075</u>	<u>619,075</u>	<u>-</u>	<u>617,007</u>	<u>617,007</u>	<u>-</u>
Total expenses						
Change in net assets	(28,802)	19,138	(47,940)	47,635	30,528	17,107
Net assets:						
Beginning of year	<u>176,249</u>	<u>50,289</u>	<u>125,960</u>	<u>128,614</u>	<u>19,761</u>	<u>108,853</u>
End of year	<u>\$ 147,447</u>	<u>\$ 69,427</u>	<u>\$ 78,020</u>	<u>\$ 176,249</u>	<u>\$ 50,289</u>	<u>\$ 125,960</u>

See independent accountant's review report and notes to financial statements.

**I CHALLENGE MYSELF, INC.**  
**Statements of Functional Expenses**  
**For the years ended June 30, 2022 and 2021**

	2022				2021			
	Total	Program Services	Supporting Activities		Total	Program Services	Supporting Activities	
		Fitness, Cycling and College Career Readiness Programs	Management and General	Fundraising		Fitness, Cycling and College Career Readiness Programs	Management and General	Fundraising
Expenses:								
Salaries, payroll taxes and benefits	\$ 428,628	\$ 256,377	\$ 134,611	\$ 37,640	\$ 384,815	\$ 245,699	\$ 94,668	\$ 44,448
Program expenses	31,215	30,079	344	792	19,856	19,856	-	-
Accounting fees	23,620	-	23,620	-	20,580	-	20,580	-
Professional fees	8,845	-	8,695	150	750	-	750	-
Program service providers	59,051	59,051	-	-	145,338	145,338	-	-
Rent	13,088	76	5,853	7,159	7,412	2,180	5,028	204
Travel	3,331	3,233	98	-	810	571	239	-
Printing, postage and delivery	1,570	559	599	412	447	285	110	52
Office supplies	703	17	618	68	505	322	124	59
Insurance	4,137	2,839	1,298	-	3,857	2,637	1,220	-
Telephone	1,135	-	1,135	-	1,182	754	291	137
Dues and subscriptions	159	30	129	-	553	226	327	-
Bank fees	1,279	-	66	1,213	630	-	65	565
Interest	264	-	264	-	-	-	-	-
Meals	5,297	4,019	1,154	124	527	445	82	-
Gifts	1,171	200	971	-	90	-	90	-
Technology	15,867	-	10,213	5,654	12,829	648	8,437	3,744
Professional development	1,808	59	1,749	-	820	780	40	-
Depreciation and amortization	16,255	16,255	-	-	15,521	15,521	-	-
Miscellaneous	1,652	152	1,500	-	485	214	271	-
<b>Total expenses</b>	<b>\$ 619,075</b>	<b>\$ 372,946</b>	<b>\$ 192,917</b>	<b>\$ 53,212</b>	<b>\$ 617,007</b>	<b>\$ 435,476</b>	<b>\$ 132,322</b>	<b>\$ 49,209</b>

See independent accountant's review report and notes to financial statements.

**I CHALLENGE MYSELF, INC.**  
**Statements of Cash Flows**  
**For the years ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (28,802)	\$ 47,635
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	16,255	15,521
Paycheck Protection Program loan forgiveness	(23,600)	-
(Increase) decrease in operating assets:		
Grants receivable	(617)	(17,696)
Unconditional promises to give	-	20,000
Prepaid expenses	(3,564)	838
Security deposit	-	2,607
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	<u>(1,954)</u>	<u>10,132</u>
Net cash (used in) provided by operating activities	<u>(42,282)</u>	<u>79,037</u>
Cash flows from investing activities:		
(Purchase of) property assets	<u>(8,568)</u>	<u>-</u>
Net cash (used in) investing activities	<u>(8,568)</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(50,850)	79,037
Cash and cash equivalents:		
Beginning of year	<u>127,176</u>	<u>48,139</u>
End of year	<u>\$ 76,326</u>	<u>\$ 127,176</u>

See independent accountant's review report and notes to financial statements.

**I CHALLENGE MYSELF, INC.**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

**Note 1 - Nature of Operations**

I Challenge Myself, Inc. (the “Organization”) is a nonprofit organization established in New York in 2003. The Organization uses fitness-based challenges and service-learning that allow youth in low-income communities to develop physically, academically and socially.

The Organization’s programs are founded on the premise that challenges provide opportunities to learn and grow. Perceiving challenges as opportunities allows youth to establish positive life skills in their critical adolescent years. The objective of the Organization is to create a movement that encourages youth to grow physically, mentally and emotionally. The Organization accomplishes this by providing hundreds of New York City public high school students with demanding challenges: long distance cycling, fitness contests, service-learning projects and college and career exploration. These challenges help students connect with their inner strength by setting and achieving goals. Students learn the value of teamwork, lead a more active lifestyle and expand their vision of future possibilities.

During the fiscal year ended June 30, 2022, the Organization served approximately 387 students through its fitness, cycling and college and career readiness programs. The Organization partnered with four New York City public high schools located in Manhattan and the South Bronx.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Accounting**

The Organization’s financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

**Basis of Presentation**

The Organization’s financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:



**I CHALLENGE MYSELF, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2022 and 2021**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation (Continued)**

**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 nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Use of Estimates**

The preparation of financial statements in accordance 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**I CHALLENGE MYSELF, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2022 and 2021**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Allowance for Doubtful Accounts**

The Organization uses the allowance method to account for uncollectible accounts receivable. The allowance for doubtful accounts ("Allowance") is based on management's analysis of possible bad debts based on historical collection experience and its assessment on the collectability of existing specific accounts. Bad debt recoveries are charged against the Allowance account as realized.

Specific accounts are charged off against the Allowance when management believes that the specific account is not collectible.

**Grants Receivable**

Grants receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with donors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial.

**Revenue Recognition**

Revenue and expenses are recorded on the accrual basis. Revenues received for future periods are deferred to the applicable period.

**Contributions and Grants**

Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions depending upon the existence and/or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions as applicable. Amounts are reclassified from net assets with donor restrictions to net assets without donor restrictions when restrictions expire by passage of time or the fulfillment of the stipulated purpose.

**Donated Goods**

Those donated goods that meet the requirements for recognition under generally accepted accounting principles are reported as both revenue and expense (or, in some cases, as assets) in the accompanying statements of activities, at amounts determined by management to be reasonable for obtaining such goods.

**I CHALLENGE MYSELF, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2022 and 2021**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Functional Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries, payroll taxes and benefits	Time and effort
Program expenses	Purpose of services provided
Professional fees	Purpose of services provided
Rent	Use of space
Travel	Time and effort
Printing, postage and delivery	Asset usage
Office supplies	Asset usage
Insurance	Asset usage
Telephone	Asset usage
Dues and subscriptions	Asset usage
Bank fees	Asset usage
Meals	Time and effort
Gifts	Time and effort
Technology	Purpose of services provided
Professional development	Purpose of services provided
Miscellaneous	Asset usage

**Property Assets**

Property assets are stated at cost, or if donated, at approximate fair value at the date of donation. Depreciation of property assets is provided on the straight-line method over the estimated useful lives of 5 to 7 years.

**Income Taxes**

The Organization files an annual Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service ("IRS"). At June 30, 2022, the Organization's Form 990s for the years 2018 through 2021 remain eligible for examination by the IRS.

**I CHALLENGE MYSELF, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2022 and 2021**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Income Taxes (Continued)**

The Organization adopted the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740-10-05, relating to the accounting and reporting for uncertainty on income taxes. Because of the Organization's general tax-exempt status, ASC Topic 740-10-05 did not have, and is not anticipated to have, a material impact on the Organization's financial statements.

**Subsequent Events**

The Organization has evaluated subsequent events and transactions through January 23, 2023, the date that the financial statements were available to be issued.

**Note 3 - Risks and Uncertainties**

The Organization maintains its cash balances at a major money center financial institution. Balances fluctuate during the year and may exceed the FDIC insurance limits. The Organization has not experienced any losses in such accounts and management does not anticipate nonperformance by the financial institution.

**I CHALLENGE MYSELF, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2022 and 2021**

**Note 4 - Net Assets with Donor Restrictions**

As of June 30, 2022 and 2021, net assets with donor restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
Net assets with donor restrictions:		
New York Presbyterian Hospital - Choosing Healthy and Active Lifestyles for Kids (CHALK)	\$ 2,621	\$ 2,621
Hispanic Federation and MacQuarie COVID Emergency Relief grants	-	3,508
The Pinkerton Foundation	9,698	48,869
CAF America-Nike - Until We All Win	-	7,034
New York Community Trust - Heisman Trophy Fund	-	39,291
William T. Grant Foundation - Youth Service Capacity Building	-	20,938
Citi Bike/Lyft Community Grant	14,971	2,749
Laureus Foundation	25,000	-
Hispanic Federation - Growing Stronger	2,130	-
Forest Foundation	<u>          </u>	<u>950</u>
Total net assets with donor restrictions	<u>\$ 54,420</u>	<u>\$ 125,960</u>

**Note 5 - Property Assets**

Property assets at cost or donated value at June 30, 2022 and 2021 consist of:

	<u>2022</u>	<u>2021</u>
Storage containers	\$ 15,218	\$ 11,289
Bikes	57,103	52,464
Indoor stationary bicycles	60,000	60,000
Computers	<u>3,682</u>	<u>3,682</u>
	136,003	127,435
Less: accumulated depreciation and amortization	<u>94,998</u>	<u>78,743</u>
Property assets, net	<u>\$ 41,005</u>	<u>\$ 48,692</u>

During 2022 and 2021, depreciation and amortization expense of property assets amounted to \$16,255 and \$15,521, respectively.

**I CHALLENGE MYSELF, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2022 and 2021**

**Note 6 - Lease Commitment**

On November 29, 2016, the Organization entered into a sublease agreement with Vita Sports Partners, Inc. for seven workstations in office premises located in New York City, under the terms of an operating lease that expires on November 29, 2023. The sublease was terminated effective July 31, 2020.

Rent expense for the years ended June 30, 2022 and 2021 amounted to \$-0- and \$7,412, respectively.

**Note 7 - Tax Status**

The Organization has been determined by the IRS to be exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code (the "IRC") and has been classified as a publicly supported organization as described in Section 509(a)(1) of the IRC.

**Note 8 - Availability and Liquidity**

The following represents the Organization's financial assets at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 76,326	\$ 127,176
Grants receivable	<u>53,215</u>	<u>52,598</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 129,541</u>	<u>\$ 179,774</u>

The Organization's goal is to generally maintain sufficient financial assets to allow it to meet its obligations as they become due.

**I CHALLENGE MYSELF, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2022 and 2021**

**Note 9 - Paycheck Protection Program Loan**

In May 2020, the Organization entered into a Paycheck Protection Program Term Note (the "PPP Note") with Citibank, N.A. in the amount of \$23,600. The PPP Note was issued to the Organization pursuant to the Coronavirus, Aid, Relief, and Economic Security Act (the "CARES Act") and the Paycheck Protection Program (P.L. 116-136) (the "Program"). Under the Program, all or a portion of the PPP Note may be forgiven in accordance with the Program requirements. The PPP Note carried a maturity date of May 2022, at a 1% interest rate. No payments are required for 6 months from the date of issuance. The amount of the forgiveness shall be calculated (and may be reduced) in accordance with the requirements of the Program, including the provisions of Section 1106 of the CARES Act. No more than 25% of the amount forgiven can be attributable to non-payroll costs, as defined in the Program. During September 2021, the PPP Note payable of \$23,600 was forgiven.

**Note 10 - Program Service Providers**

In September 2019, the Organization was awarded a two-year Youth Engagement in Sports ("YES") grant from the United States Department of Health and Human Services to increase sports participation and nutrition outcomes among middle school students in the neighborhoods of Washington Heights and Inwood, in Northern Manhattan. The YES grant required the Organization to collaborate with youth sports and nutrition organizations to provide a robust program. As a result, the Organization subcontracted a number of organizations to provide sports and nutrition programming. The YES grant also includes a research component. The Organization also contracted a third-party to evaluate its Healthy Heights YES program. As a result of these subawards and third-party evaluation, the Organization expended a total of \$51,908 and \$124,721 in fees to program service providers during the years ended June 30, 2022 and 2021, respectively.