

# **I Challenge Myself, Inc.**

Financial Report

June 30, 2023 and 2022

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## Independent Accountant's Review Report

To the 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, 2023, and the related statements of activities, functional expenses and cash flows for the year 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.

### Report on 2022 Financial Statements

The financial statements of I Challenge Myself, Inc. for the year ended June 30, 2022 were reviewed by Buchbinder Tunick & Co., which entered into an asset purchase agreement with Weaver and Tidwell, L.L.P. effective January 1, 2024, whose report dated January 23, 2023 stated that, based on their review, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors  
I Challenge Myself, Inc.

**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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

New York, New York  
February 16, 2024

**I Challenge Myself, Inc.**  
 Statements of Financial Position  
 June 30, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 17,736	\$ 76,326
Grants receivable	99,455	53,215
Prepaid expenses	3,391	6,007
Property assets, net of accumulated depreciation and amortization of \$111,049 and \$94,998 in 2023 and 2022, respectively	24,954	41,005
<b>TOTAL ASSETS</b>	<b>\$ 145,536</b>	<b>\$ 176,553</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 17,027	\$ 29,106
Total liabilities	17,027	29,106
<b>NET ASSETS</b>		
Without donor restrictions	63,578	93,027
With donor restrictions	64,931	54,420
Total net assets	128,509	147,447
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 145,536</b>	<b>\$ 176,553</b>

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

**I Challenge Myself, Inc.**  
 Statements of Activities  
 Years Ended June 30, 2023 and 2022

	<b>2023</b>			<b>2022</b>		
	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>
<b>REVENUE</b>						
Contributions	\$ 329,380	\$ 111,380	\$ 218,000	\$ 235,765	\$ 102,015	\$ 133,750
Government grants	228,305	-	228,305	271,887	23,600	248,287
Special events	73,729	73,729	-	82,081	82,081	-
Interest and other income	2,588	2,588	-	540	540	-
Net assets released from purpose restrictions	-	435,794	(435,794)	-	453,577	(453,577)
Total revenue	634,002	623,491	10,511	590,273	661,813	(71,540)
<b>EXPENSE</b>						
Program services						
Fitness, cycling, college career readiness programs	354,567	354,567	-	372,946	372,946	-
Supporting activities						
Management and general	203,152	203,152	-	192,917	192,917	-
Fundraising	95,221	95,221	-	53,212	53,212	-
Total expenses	652,940	652,940	-	619,075	619,075	-
Change in net assets	(18,938)	(29,449)	10,511	(28,802)	42,738	(71,540)
<b>NET ASSETS, beginning of year</b>	147,447	93,027	54,420	176,249	50,289	125,960
<b>NET ASSETS, end of year</b>	<u>\$ 128,509</u>	<u>\$ 63,578</u>	<u>\$ 64,931</u>	<u>\$ 147,447</u>	<u>\$ 93,027</u>	<u>\$ 54,420</u>

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

**I Challenge Myself, Inc.**  
**Statements of Functional Expenses**  
For the years ended June 30, 2023 and 2022

	2023				2022			
	Program Services		Supporting Activities		Program Services		Supporting Activities	
	Total	Fitness, Cycling and College Career Readiness Programs	Management and General	Fundraising	Total	Fitness, Cycling and College Career Readiness Programs	Management and General	Fundraising
<b>EXPENSES</b>								
Salaries, payroll taxes and benefits	\$ 447,358	\$ 270,416	\$ 152,110	\$ 24,832	\$ 428,628	\$ 256,377	\$ 134,611	\$ 37,640
Program expenses	14,720	14,720	-	-	31,215	30,079	344	792
Accounting fees	23,503	-	23,503	-	23,620	-	23,620	-
Professional fees	47,659	675	6,025	40,959	8,845	-	8,695	150
Program service providers	33,894	33,894	-	-	59,051	59,051	-	-
Rent	27,842	26	7,850	19,966	13,088	76	5,853	7,159
Travel	4,431	3,671	247	513	3,331	3,233	98	-
Printing, postage and delivery	2,460	1,691	336	433	1,570	559	599	412
Office supplies	254	193	29	32	703	17	618	68
Insurance	4,274	3,131	1,143	-	4,137	2,839	1,298	-
Telephone	1,271	813	381	77	1,135	-	1,135	-
Dues and subscriptions	772	131	173	468	159	30	129	-
Bank fees	2,851	-	410	2,441	1,279	-	66	1,213
Interest	853	-	853	-	264	-	264	-
Meals	11,484	7,144	1,551	2,789	5,297	4,019	1,154	124
Gifts	725	-	725	-	1,171	200	971	-
Technology	10,527	-	7,816	2,711	15,867	-	10,213	5,654
Professional development	59	59	-	-	1,808	59	1,749	-
Depreciation and amortization	16,051	16,051	-	-	16,255	16,255	-	-
Miscellaneous	1,952	1,952	-	-	1,652	152	1,500	-
<b>TOTAL EXPENSES</b>	<b>\$ 652,940</b>	<b>\$ 354,567</b>	<b>\$ 203,152</b>	<b>\$ 95,221</b>	<b>\$ 619,075</b>	<b>\$ 372,946</b>	<b>\$ 192,917</b>	<b>\$ 53,212</b>

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

**I Challenge Myself, Inc.**  
**Statements of Cash Flows**  
For the years ended June 30, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (18,938)	\$ (28,802)
Adjustments to reconcile change in net assets to net cash (used in) operating activities		
Depreciation and amortization	16,051	16,255
Paycheck Protection Program loan forgiveness	-	(23,600)
(Increase) decrease in operating assets		
Grants receivable	(46,240)	(617)
Prepaid expenses	2,616	(3,564)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(12,079)	(1,954)
	(58,590)	(42,282)
<b>CASH FLOWS USED FROM INVESTING ACTIVITIES</b>		
(Purchase of) property assets	-	(8,568)
	-	(8,568)
Net (decrease) in cash and cash equivalents	(58,590)	(50,850)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	76,326	127,176
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 17,736	\$ 76,326

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



# I Challenge Myself, Inc.

## Notes to Financial Statements

### 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, 2023, the Organization served approximately 330 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:

**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.

# I Challenge Myself, Inc.

## Notes to Financial Statements

### **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.

### **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.

# I Challenge Myself, Inc.

## Notes to Financial Statements

### 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.

### 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:

Expenses	Method of Allocation
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.

# I Challenge Myself, Inc.

## Notes to Financial Statements

### 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, 2023, the Organization's Form 990s for the years 2019 through 2022 remain eligible for examination by the IRS.

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 February 16, 2024, 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.

### Note 4. Net Assets with Donor Restrictions

As of June 30, 2023 and 2022, net assets with donor restrictions consisted of the following:

	2023	2022
Net assets with donor restrictions		
New York Presbyterian Hospital - Choosing Healthy and Active Lifestyles for Kids (CHALK)	\$ -	\$ 2,621
The Pinkerton Foundation	-	9,698
Citi Bike/Lyft Community Grant	-	14,971
Laureus Foundation	27,994	25,000
Hispanic Federation - Growing Stronger	-	2,130
NY Community Trust – Heisman Trophy Award	12,246	-
City University of New York – Community Build	2,909	-
PWC Charitable Foundation – Reimagine Grant	21,782	-
Total net assets with donor restrictions	\$ 64,931	\$ 54,420

# I Challenge Myself, Inc.

## Notes to Financial Statements

### Note 5. Property Assets

Property assets at cost or donated value at June 30, 2023 and 2022 consist of:

	2023	2022
Storage containers	\$ 15,218	\$ 15,218
Bikes	57,103	57,103
Indoor stationary bicycles	60,000	60,000
Computers	3,682	3,682
	136,003	136,003
Less: accumulated depreciation and amortization	111,049	94,998
Property assets, net	\$ 24,954	\$ 41,005

During 2023 and 2022, depreciation and amortization expense of property assets amounted to \$16,051 and \$16,255, respectively.

### Note 6. 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 7. Availability and Liquidity

The following represents the Organization's financial assets at June 30, 2023 and 2022:

	2023	2022
Financial assets at year	\$ 17,736	\$ 76,326
Cash and cash equivalents	99,455	53,215
Grants receivable		
Financial assets available to meet general expenditures over the next twelve months	\$ 117,191	\$ 129,541

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

### **Note 8. 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.