

INSPIRATIONAL TRIATHLON RACING  
INTERNATIONAL CORP

Financial Statements

for the years ended  
September 30, 2019 and 2018

INSPIRATIONAL TRIATHLON RACING  
INTERNATIONAL CORP

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**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors  
Inspirational Triathlon Racing International Corp  
East Hampton, New York

We have reviewed the accompanying financial statements of Inspirational Triathlon Racing International Corp (a nonprofit organization), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes for the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's 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 internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

**Account's Responsibility**

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. 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.

**Accountant's Conclusion**

Based on our review, 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.

*Sabel & Oplinger*

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Sabel & Oplinger, CPA, PC  
Southampton, New York

May 15, 2020

INSPIRATIONAL TRIATHLON RACING  
INTERNATIONAL CORP

Statements of Financial Position

	September 30	
	2019	2018
Current Assets		
Cash and cash equivalents	\$ 41,797	\$ 46,525
Accounts receivable	-	3,500
Total Current Assets	41,797	50,025
Property and Equipment, net	27,608	13,903
Total Assets	\$ 69,405	\$ 63,928
Liabilities and Net Assets		
Current Liabilities		
Accrued expenses payable	\$ 2,764	\$ 689
Payroll liabilities	6,471	3,688
Total Current Liabilities	9,235	4,377
Net Assets		
Without donor restrictions	60,170	59,551
Total Net Assets	60,170	59,551
Total Liabilities and Net Assets	\$ 69,405	\$ 63,928

See Independent Accountants' Review Report and  
Notes to Financial Statements

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Statements of Activities

for the years ended

	September 30	
	2019	2018
Revenues and Support		
Contributions and grants	\$ 462,248	\$ 327,169
Event Income	65,704	52,422
Total Revenues and Support	527,952	379,591
Expenses		
Program expenses	343,259	284,239
Supportive services:		
Administrative and general	106,502	41,158
Fundraising	77,572	19,999
Total Expenses	527,333	345,396
Change in Net Assets	619	34,195
Prior Period Adjustment	-	2,604
Net Assets, beginning of year	59,551	22,752
Net Assets, end of year	\$ 60,170	\$ 59,551

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Statements of Cash Flows

for the years ended

	September 30	
	2019	2018
<u>Cash Flows From Operating Activities:</u>		
Change in Net Assets	\$ 619	\$ 34,195
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation	5,170	2,511
(Increase) Decrease in: Accounts receivable	3,500	(1,300)
Increase (Decrease) in: Accrued expenses payable	2,075	2,257
Payroll taxes payable	2,783	-
Net Cash Provided by Operating Activities	14,147	37,663
<u>Cash Flows from Investing Activities:</u>		
(Purchase) of fixed assets	(18,875)	(8,036)
Net Cash (Used) by Investing Activities	(18,875)	(8,036)
Net (Decrease) Increase in Cash	(4,728)	29,627
Cash and cash equivalents, beginning of year	46,525	16,898
Cash and cash equivalents, end of year	\$ 41,797	\$ 46,525

See Independent Accountants' Review Report and  
Notes to Financial Statements

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Notes to Financial Statements

September 30, 2019

Note 1 - Nature of Organization

The Inspirational Triathlon Racing International Corp was incorporated in April 2011 as a Not-for-Profit Corporation pursuant to General Corporation law of the State of Delaware. The Organization was organized to develop self-esteem and promote the benefits of a healthy life style in pre-teen and teenage girls.

Note 2 - Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 15, 2020, the date that the financial statements were available to be issued.

Note 3 - Summary of Significant Accounting Policies

The summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representations of the Organization's management who are responsible for their integrity and objectivity.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The organization has adjusted the presentation of these statements accordingly.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The 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:

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Notes to Financial Statements

September 30, 2019

Note 3 - 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, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management may make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the revenue and expenses during the reported periods. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

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

Concentration of Credit Risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and accounts receivable. The Organization deposits its cash with what it believes to be quality financial institutions. The Organization believes no significant concentration of credit risk exists with respect to its cash.

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Notes to Financial Statements

September 30, 2019

Note 3 - Continued

Accounts Receivable

Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to the allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off. No accounts have been written off for the year ended September 30, 2019.

Property, Equipment and Depreciation

The expenditures for property and equipment are capitalized at cost. Donated assets are capitalized at their fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributed Services

A substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fundraising campaigns. The value of this contributed time is not reported in these financial statements, as it does not meet the criteria for recognition.

Functional Allocation of Expenses

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

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Notes to Financial Statements

September 30, 2019

Note 3 - Continued

Summarized Financial Information for 2017

The financial statements include prior year expenses shown by natural expenses on the Statement of Functional Expenses and not by functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with United States generally accepted accounting principles. Accordingly, such information should only be read in conjunction with the Organization's financial statements for the year ended September 30, 2019, from which the summarized information was derived.

Note 4 - Availability and Liquidity

The following represents the organization's financial assets at September 30, 2019:

Financial assets at year end:	
Cash and cash equivalents	\$ 41,797
Less financial assets not available to be used within one year:	<u>          -</u>
Financial assets available to meet the cash needs for general expenditures	<u>\$ 41,797</u>

The organization maintains financial assets to meet operating expenses. As part of its liquidity plan, excess cash, if any, is maintained in the checking account for future operating expenses.

Note 5 - Property and equipment are summarized as follows:

Equipment	\$ 11,176
Website	18,875
Furniture and fixtures	<u>9,778</u>
Subtotal	39,829
Less: Accumulated Depreciation	<u>(12,221)</u>
Total	<u>\$ 27,608</u>

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Notes to Financial Statements

September 30, 2019

Note 6 - Advertising

The Organization uses advertising to promote its programs and fundraising events. These costs are expensed as incurred and totaled \$8,635 for the year ended September 30, 2019.

Note 7 - Tax Exempt Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2) .

There was no unrelated business income for the year ended September 30, 2019. Accordingly, no provision for Federal or State income taxes is required. As of September 30, 2019, no amounts have been recognized for uncertain income tax positions. The Organization's tax returns for the year 2015 and forward are subject to the usual review by the appropriate taxing authorities.

Note 8 - Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Note 9 - Subsequent Events

As a result of the current COVID-19 pandemic, economic uncertainties have arisen which may negatively impact future revenue sources. Other financial impacts could occur though such potential impacts and are unknown at this time.

See Independent Auditors' Report