

INSPIRATIONAL TRIATHLON RACING  
INTERNATIONAL CORP

Financial Statements

for the years ended  
September 30, 2021 and 2020

INSPIRATIONAL TRIATHLON RACING  
INTERNATIONAL CORP

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# *Sabel & Oplinger, CPA, PC*

ACCOUNTANTS AND CONSULTANTS

106 PROSPECT STREET, P.O. BOX 1307

SOUTHAMPTON, NY 11969

TELEPHONE (631) 283-2370

FAX (631) 287-4347

e mail: [socpapc@socpapc.com](mailto:socpapc@socpapc.com)

web page: [www.socpapc.com](http://www.socpapc.com)

## 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, 2021 and 2020, 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 and Oplinger*

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Sabel & Oplinger, CPA, PC  
Southampton, New York

July 12, 2022

INSPIRATIONAL TRIATHLON RACING  
INTERNATIONAL CORP

Statements of Financial Position

	September 30	
	2021	2020
Assets		
Current Assets		
Cash and cash equivalents		
Unrestricted	\$ 236,165	\$ 280,906
Restricted	<u>48,995</u>	<u>-</u>
Total Current Assets	<u>285,160</u>	<u>280,906</u>
Property and Equipment, net	<u>57,359</u>	<u>20,398</u>
Total Assets	<u>\$ 342,519</u>	<u>\$ 301,304</u>
Liabilities and Net Assets		
Current Liabilities		
SBA loans payable - current portion	\$ 77,320	\$ 65,993
Accrued expenses payable	6,974	1,561
Payroll liabilities	<u>329</u>	<u>7,183</u>
Total Current Liabilities	84,623	74,737
Long-term Liabilities		
SBA loans payable, net of short-term portion	<u>140,337</u>	<u>148,507</u>
Total Liabilities	<u>224,960</u>	<u>223,244</u>
Net Assets		
Without donor restrictions	68,564	78,060
With donor restrictions	<u>48,995</u>	<u>-</u>
Total Net Assets	<u>117,559</u>	<u>78,060</u>
Total Liabilities and Net Assets	<u>\$ 342,519</u>	<u>\$ 301,304</u>

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Statements of Activities

for the years ended

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>September 30</u>	
			<u>2021</u>	<u>2020</u>
Revenues and Support				
Contributions and grants	\$ 571,706	\$ 48,995	\$ 620,701	\$ 540,696
Event Income	4,164	-	4,164	52,360
Investment income	123	-	123	-
Government grant – SBA PPP	<u>64,500</u>	<u>-</u>	<u>64,500</u>	<u>-</u>
Total Revenues and Support	<u>640,493</u>	<u>48,995</u>	<u>689,488</u>	<u>593,056</u>
Expenses				
Program expenses	406,760	-	406,760	329,317
Supportive services:				
Administrative and general	65,664	-	65,664	97,026
Fundraising	<u>177,565</u>	<u>-</u>	<u>177,565</u>	<u>148,823</u>
Total Expenses	<u>649,989</u>	<u>-</u>	<u>649,989</u>	<u>575,166</u>
Change in Net Assets	(9,496)	48,995	39,499	17,890
Net Assets, beginning of year	<u>78,060</u>	<u>-</u>	<u>78,060</u>	<u>60,170</u>
Net Assets, end of year	<u>\$ 68,564</u>	<u>\$ 48,995</u>	<u>\$ 117,559</u>	<u>\$ 78,060</u>

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Statements of Functional Expenses

for the years ended

Expense	Program Service Expenses	Management and General	Fundraising	September 30	
				2021	2020
Salaries and wages	\$ 294,956	\$ 40,215	\$ 86,860	\$ 422,031	\$ 328,129
Payroll taxes	23,224	7,322	4,840	35,386	25,425
Professional fees	-	6,764	28,321	35,085	4,205
Consultants	15,625	100	42,000	57,725	70,221
Advertising	4,463	190	2,588	7,241	12,104
Office expenses	1,494	3,627	133	5,254	4,892
Computer expenses	2,225	3,158	3,274	8,657	33,875
Employee travel	9,784	179	120	10,083	14,566
Insurance	26,989	3,023	2,993	33,005	42,769
Program supplies	7,575	-	-	7,575	8,723
Program expenses	4,909	-	-	4,909	10,064
Giving day expenses	-	-	6,205	6,205	-
Facilities and equipment	534	-	-	534	7,947
Telephone	2,228	-	-	2,228	2,453
Miscellaneous expenses	345	1,086	231	1,662	2,583
Depreciation	12,409	-	-	12,409	7,210
<b>Total Functional Expenses</b>	<b>\$ 406,760</b>	<b>\$ 65,664</b>	<b>\$ 177,565</b>	<b>\$ 649,989</b>	<b>\$ 575,166</b>

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Statements of Cash Flows

for the years ended

	September 30	
	2021	2020
<u>Cash Flows from Operating Activities:</u>		
Change in Net Assets	\$ 39,499	\$ 17,890
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation	12,409	7,210
Increase (Decrease) in:		
Accrued expenses payable	5,413	(1,203)
Payroll taxes payable	(6,854)	712
Net Cash Provided by Operating Activities	50,467	24,609
<u>Cash Flows from Investing Activities:</u>		
(Purchase) of fixed assets	(49,370)	-
Net Cash (Used) by Investing Activities	(49,370)	-
<u>Cash Flows from Financing Activities:</u>		
Loan proceeds	69,580	214,500
Principal loan repayments and forgiveness	(66,423)	-
Net Cash Provided by Financing Activities	3,157	214,500
Net Increase (Decrease) in Cash	4,254	239,109
Cash and cash equivalents, beginning of year	280,906	41,797
Cash and cash equivalents, end of year	\$ 285,160	\$ 280,906

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Notes to Financial Statements

September 30, 2021

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 lifestyle 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 July 12, 2022, 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.

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:

*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.

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Notes to Financial Statements

September 30, 2021

Note 3 - Continued

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. Cash consists of the following:

	<u>September 30</u>	
	<u>2021</u>	<u>2020</u>
Unrestricted	\$ 236,165	\$ 280,906
Restricted	<u>48,995</u>	<u>-</u>
Total Cash and Cash Equivalents	<u>\$ 285,160</u>	<u>\$ 280,906</u>

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.

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, 2021 and 2020.

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.

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Notes to Financial Statements

September 30, 2021

Note 3 - Continued

Revenue and Revenue Recognition

The organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. The Organization did not receive any in-kind donations for the years ended September 30, 2021 and 2020.

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, 2021

Note 3 - Continued

Summarized Financial Information for 2020

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, 2020, from which the summarized information was derived.

Note 4 - Availability and Liquidity

The following represents the organization's financial assets at:

	<u>September 30</u>	
	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 285,160	\$ 280,906
Less financial assets not available	<u>(48,995)</u>	<u>-</u>
Financial assets available	<u>\$ 236,165</u>	<u>\$ 280,906</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:

	<u>September 30</u>	
	<u>2021</u>	<u>2020</u>
Equipment	\$ 60,546	\$ 11,176
Website	18,875	18,875
Furniture and fixtures	<u>9,778</u>	<u>9,778</u>
Subtotal	89,199	39,829
Less: Accumulated Depreciation	<u>(31,840)</u>	<u>(19,431)</u>
Total	<u>\$ 57,359</u>	<u>\$ 20,398</u>

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Notes to Financial Statements

September 30, 2021

Note 6 - SBA Loans

The Organization received a \$69,580 forgivable loan from the Small Business Administration (SBA) on April 15, 2020. As a result, the Organization has recorded the amount received as a financial liability in accordance with FASB ASC 470. Therefore, the entire loan is included in liabilities on the *Statement of Financial Position* and will remain there until the loan is officially forgiven. The loan was forgiven in 2021 and is included in Contributions and Grants in the *Statements of Activities*. A second PPP loan was received in 2021 for \$69,580 and the entire loan is included in liabilities on the *Statement of Financial Position* and will remain there until the loan is officially forgiven

The Organization received a \$150,000 loan from the SBA in June 2020. The loan is a thirty-year loan with a one-year deferral period and an interest rate of 2.75 percent with monthly payments of \$641. The principal maturities are as follows:

<u>Year</u>	<u>Amount</u>
2022	3,654
2023	3,756
2024	3,860
2025	3,968
Thereafter	<u>128,753</u>
Total	<u>\$ 143,991</u>
Less current portion	<u>(3,654)</u>
Total - Long-term portion	<u>\$ 140,337</u>

Note 7 - Advertising

The Organization uses advertising to promote its programs and fundraising events. These costs are expensed as incurred and totaled \$7,241 and \$12,104 respectively for the years ended September 30, 2021 and 2020.

Note 8 - Net Assets

Net assets with donor restrictions are as follows:

	<u>September 30</u>	
	<u>2021</u>	<u>2020</u>
Donations received for subsequent year	<u>\$ 48,995</u>	<u>\$ -</u>

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Notes to Financial Statements

September 30, 2021

Note 9 - 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, 2021. Accordingly, no provision for Federal or State income taxes is required. As of September 30, 2021, no amounts have been recognized for uncertain income tax positions. The Organization's tax returns for the year 2017 and forward are subject to the usual review by the appropriate taxing authorities.

Note 10 - Agency Transaction – for 631

During the year ended September 30, 2021 the organization joined together with the Children's Museum of the East End, Eleanor Whitmore Ealy Childhood Center, Heart of the Hamptons, East Hampton Food Pantry and Springs Food Pantry to form an emergency initiative (Fund for 631) to support for the East End Communities in dealing with the impact of the COVID-19 pandemic. The amount received of \$30,863 is included in Contributions in the current fiscal year as it represents its portion of the donations received per the agreement.

Note 11 - Subsequent Events

As a result of the current COVID-19 pandemic, economic uncertainties have arisen which are likely to negatively impact fundraising and donations, special events and program income. Other financial impacts could occur though such potential impacts are unknown at this time. These potential losses have not been recognized and are not required to be recognized in these financial statements. The organization has obtained government stimulus funds (see Note 6 for recognition details) and believes it has adequate funds to cover any potential losses due to the pandemic.