ACHILLES INTERNATIONAL INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

ACHILLES INTERNATIONAL INC.

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

INDEX

GIL & SCHONIG CPAS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
44 SOUTH BAYLES AVENUE, SUITE 206
PORT WASHINGTON, NY 11050

TEL: 516.767.2760 • FAX: 516.767.2763

Independent Auditor's Report

To The Board of Directors of
Achilles International Inc.
New York, New York

Opinion

We have audited the accompanying financial statements of Achilles International Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 Achilles International Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Corrections of an Error

As discussed in Note B to the financial statements, the Organization corrected an error in previously issued financial statements. Accordingly, the beginning net assets as of January 1, 2024 have been restated. Our opinion is not modified with respect to this matter.

Basis for Opinion

We conducted our audits 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 Achilles International Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Achilles International 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 auditor's 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. Misstatements 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 purpose of expressing an opinion on the effectiveness of Achilles International 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 Achilles International 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.

[illegible] CPA's, LLP

October 28, 2025
Port Washington, New York

ACHILLES INTERNATIONAL INC.

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023
(See Independent Auditor's Report)

ASSETS

	2024	2023
Current assets:		
Cash and cash equivalents	$ 3,763,050	$ 3,230,172
Prepaid expenses	67,392	39,613
Total current assets	3,830,442	3,269,785
Other assets:		
Operating lease right-of-use asset	45,183	45,183
Property and equipment, net	485,563	276,540
Security deposit	170,455	302,579
Total other assets	701,201	624,302
Total assets	$ 4,531,643	$ 3,894,087

LIABILITES AND NET ASSETS

	2024	2023
Current liabilities:		
Accounts payable and accrued expenses	$ 97,644	$ 85,961
Deferred revenue	225,000	-0-
Current portion of operating lease liability	138,256	132,124
Total current liabilities	460,900	218,085
Long term liabilities:		
Operating lease liability	68,469	206,725
Total liabilities	529,369	424,810
Net assets:		
Without donor restrictions	2,288,526	2,082,597
With donor restrictions	1,713,748	1,386,680
Total net assets	4,002,274	3,469,277
Total liabilities and net assets	$ 4,531,643	$ 3,894,087

The accompanying notes are an integral part of these financial statements.

ACHILLES INTERNATIONAL INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(See Independent Auditor's Report)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Without Donor Restrictions	With Donor Restrictions	Total 2023
Support and revenue:						
Contributions and grants	$ 3,066,260	$ 2,640,431	$ 5,706,691	$ 2,377,506	$ 1,943,515	$4,321,021
Interest income	90,130	-0-	90,130	21,067	-0-	21,067
Total support and revenue	3,156,390	2,640,431	5,796,821	2,398,573	1,943,515	4,342,088
Expenses:						
Program expenses	3,985,800	-0-	3,985,800	3,170,318	-0-	3,170,318
Management and general	626,704	-0-	626,704	469,671	-0-	469,671
Fundraising	833,516	-0-	833,516	657,836	-0-	657,836
Total expenses	5,446,020	-0-	5,446,020	4,297,825	-0-	4,297,825
Change in net assets	(2,289,630)	2,640,431	350,801	(1,899,252)	1,943,515	44,263
Net assets, beginning of year	2,082,597	1,386,680	3,469,277	2,142,492	1,282,522	3,425,014
Transfer	2,313,363	(2,313,363)	-0-	1,839,357	(1,839,357)	-0-
Adjustments to net assets	182,196	-0-	182,196	-0-	-0-	-0-
Net assets, end of year	$ 2,288,526	$ 1,713,748	$ 4,002,274	$ 2,082,597	$ 1,386,680	$ 3,469,277

The accompanying notes are an integral part of these financial statements.

ACHILLES INTERNATIONAL INC.

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(See Independent Auditor's Report)

	2024			
	Program expenses	Management and general	Fundraising	Total
Personnel costs:				
Salaries	$ 1,398,806	$ 244,280	$ 450,535	$ 2,093,621
Payroll taxes and employee benefits	260,831	67,078	98,126	426,035
Total personnel costs	1,659,637	311,358	548,661	2,519,656
Direct expenses:				
Consultants	-0-	-0-	6,533	6,533
Depreciation	91,375	9,550	21,820	122,745
Equipment	54,536	5,699	13,023	73,258
Insurance	-0-	81,538	-0-	81,538
Office supplies & expenses	-0-	36,448	-0-	36,448
Payroll fee	54,084	5,652	12,915	72,651
Postage & delivery	3,123	326	746	4,195
Printing and copying	5,538	579	1,322	7,439
Professional services	45,895	156,120	193,008	395,023
Program expenses	1,844,075	-0-	-0-	1,844,075
Rent and utilities	105,383	11,014	25,165	141,562
Telephone	13,301	1,390	3,176	17,867
Travel and meetings	108,853	7,030	7,147	123,030
Total direct expenses	2,326,163	315,346	284,855	2,926,364
Total expenses	$ 3,985,800	$ 626,704	$ 833,516	$ 5,446,020

ACHILLES INTERNATIONAL INC.

STATEMENTS OF FUNCTIONAL EXPENSES, CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(See Independent Auditor's Report)

	2023			
	Program expenses	Management and general	Fundraising	Total
Personnel costs:				
Salaries	$ 1,311,580	$ 165,836	$ 384,131	$ 1,861,547
Payroll taxes and employee benefits	181,648	57,299	75,875	314,822
Total personnel costs	1,493,228	223,135	460,006	2,176,369
Direct expenses:				
Consultants	-0-	-0-	10,221	10,221
Depreciation	50,583	5,286	12,079	67,948
Equipment	5,305	554	1,267	7,126
Insurance	-0-	50,068	-0-	50,068
Office supplies & expenses	-0-	38,654	-0-	38,654
Payroll fee	43,872	4,585	10,476	58,933
Postage & delivery	1,129	118	269	1,516
Printing and copying	3,105	325	741	4,171
Professional services	24,194	129,143	132,397	285,734
Program expense-other	1,360,087	-0-	-0-	1,360,087
Rent and utilities	100,508	10,504	24,001	135,013
Telephone	11,630	1,215	2,777	15,622
Travel and meetings	76,677	6,084	3,602	86,363
Total direct expenses	1,677,090	246,536	197,830	2,121,456
Total expenses	$ 3,170,318	$ 469,671	$ 657,836	$ 4,297,825

The accompanying notes are an integral part of these financial statements.

ACHILLES INTERNATIONAL INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(See Independent Auditor's Report)

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 350,801	$ 44,263
Adjustments to reconcile changes in net assets to cash provided by operating activities:		
Adjustment to net assets	182,196	-0-
Depreciation	122,745	67,948
Operating lease right-of-use asset amortization	-0-	(279)
Changes in operating assets and liabilities (Increase)/decrease in:		
Contributions receivable	-0-	200,000
Prepaid expenses	(27,779)	(24,745)
Increase/(decrease) in:		
Accounts payable and accrued expenses	11,683	1,148
Deferred revenue	225,000	(100,000)
Net cash provided by operating activities	864,646	188,335
Cash flows used in investing activities:		
Purchase of property and equipment	(331,768)	(192,764)
Net increase/(decrease), in cash and cash equivalents	532,878	(4,429)
Cash and cash equivalents - beginning of year	3,230,172	3,234,601
Cash and cash equivalents - end of year	$ 3,763,050	$ 3,230,172

The accompanying notes are an integral part of these financial statements.

NOTE A – ORGANIZATION AND NATURE OF ACTIVITIES

Achilles International Inc. ("Achilles", the "Organization") is a nonprofit organization incorporated in New York in 1984. The Organization's mission is to transform the lives of people with disabilities through athletic programs and social connection. Achilles brings together athletes with disabilities and able-bodied volunteers, creating an inclusive community of support, training and empowerment.

The Organization provides training, resources, and race opportunities for athletes with a wide range of disabilities, including visual, physical, cognitive, and development impairments, as well as for wounded veterans and first responders. Programs include weekly workouts, endurance event participation, the Achilles Kids program, and specialized initiatives such as Achilles Freedom Team of Wounded Veterans and Achilles Para-Marathon programs.

Through these activities, Achilles promotes personal achievement, increased independence, and improved quality of life for individuals with disabilities, while educating the public to break down barriers and foster inclusion. The Organization operates primarily in New York City but has chapters and affiliates throughout the United States and internationally. Achilles is recognized as a tax-exempt organization under Section 501(C)(3) of the Internal Revenue Code.

NOTE B – CORRECTION OF AN ERROR

During 2024, Achilles identified a $182,196 error primarily related to the migration of its chapters' bank accounts into the Organization. The error has been corrected by adjusting the beginning balance of net assets as of January 1, 2024. The adjustment did not have a material effect on previously issued financial statements and therefore, comparative financial statements have not been restated.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation are reported according to two classes of net assets, when applicable: net assets without donor restrictions and net assets with donor restrictions.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of these financial statements, the Organization considers all investments with an original maturity of three months or less when purchased to be cash equivalents. At December 31, 2024 and 2023, Achilles did not have any cash equivalents.

Concentration of Credit Risk

The Organization maintains its cash balances with high-quality financial institutions which are insured up to the Federal Deposit Insurance Corporation ("FDIC") limit. At December 31, 2024 and 2023, Achilles cash balances exceeded federally insured limits by approximately $3,230,000 and $2,889,000, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks.

Contribution and Contributions Receivable

Contributions receivable consist of unconditional promises to give and are recorded at their net realizable value.

Unconditional promises to give due in more than one year are discounted to their present value using a discount rate commensurate with the risks involved.

Management evaluates contributions receivable on a periodic basis and establishes an allowance for doubtful accounts bases on historical experience, donor creditworthiness, and other relevant factors.

Prepaid Expenses

Prepaid expenses consist primarily of advance payments for insurance, rent, program events, and other costs that benefit future periods. Prepaid expenses are amortized over the periods to which the expenditures relate.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property and Equipment

Property and equipment are stated at cost if purchased or fair market value if donated, less accumulated depreciation and amortization. Donated property and equipment are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of their useful lives or the term of the lease. Maintenance and repairs are expensed when incurred.

Financial Statement Presentation

The Organization is required 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 stipulations and may be expended for any purpose in performing the primary objectives of the Organization.

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 may be perpetual in nature, whereby the donor may stipulate that 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 consolidated statements of activities.

Revenue Recognition

Contributions and Grants

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*, contributions, including unconditional promises to give, are

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenue Recognition, Continued

Contributions and Grants, Continued

recognized as revenue at fair value when received or when the Organization is formally notified by the donor. Contributions with donor-imposed restrictions are reported as net assets with donor restrictions. When the restrictions are satisfied, the related amounts are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give expected to be collected in future years are recorded at the present value of estimated future cash flows, discounted using a credit-adjusted discount rate determined at the time the pledge is recorded. The discount rate is not subsequently revised.

Conditional promises to give are not recognized as support until the conditions are substantially met.

Special Event and Other Revenue

Special event revenues are recognized on an accrual basis as earned. In the statement of activities, special event revenue is reported net of direct donor benefit costs (such as food, beverages, and entertainment) in accordance with ASC Subtopic 958-605, *Not-for-Profit Entities – Revenue Recognition*. The portion of event receipts that represents the fair value of benefits provided to attendees is considered exchange revenue, and the remaining portion is considered a contribution. Both are recognized when the event occurs or when the contribution is received. Other earned revenue is recognized when the performance obligation is satisfied in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. Performance obligations are generally satisfied at a point of time when the service is performed, or the goods are delivered to the customer.

Donated Goods and Services

The Organization recognizes revenues and expenses from contributed services if the services received create or enhance long-lived assets, or require specialized skills. Volunteers have donated time to the Organization’s program services and fundraising campaigns during the period. However, these donated services are not reflected in the financial statements since the services don’t require specialized skills.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Leases

Achilles accounts for leases in accordance with FASB ASC Topic 842, *Leases*. The Organization determines whether a contract is, or contains, a lease at the inception of the arrangement. For lease agreements, the Organization recognizes a right-of-use ("ROU") asset and a corresponding lease liability at the lease commencement date. The lease liability is measured at the present value of future lease payments, discounted using the Organization's incremental borrowing rate, unless the implicit rate in the lease is readily determinable. The ROU asset is initially measured at the amount of the lease liability, adjusted for any lease prepayments, initial direct costs, and lease incentives received.

The lease term includes the non-cancelable period of the lease, together with any periods covered by options to extend or terminate the lease when it is reasonably certain that such options will be exercised.

The Organization has elected the short-term lease exemption for leases with a term of 12 months or less and, as such, does not recognize ROU assets or lease liabilities for these leases. Lease expense for short-term leases is recognized on a straight-line basis over the lease term.

For operating leases, the Organization recognizes lease expense on a straight-line basis over the lease term. Upon adoption of ASC 842, any existing deferred rent balance was reclassified as an adjustment to the related right-of-use ("ROU") asset. No additional deferred rent is recorded subsequent to adoption, as the straight-line lease expense recognition is reflected in the amortization of the ROU asset and interest on the lease liability. Lease expense is presented within rent and utilities occupancy costs in the accompanying statements of functional expenses.

Additional quantitative and qualitative lease disclosures, including lease liabilities by maturity, weighted-average lease term, and weighted-average discount rate, are included in Note F.

Functional Expense Allocation

The financial statements report certain categories of expense that are attributable to more than one supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Certain expenses including depreciation, administrative expenses, occupancy costs, payroll taxes and employee benefit costs are allocated based on headcounts. All other expenses are allocated by functional category.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2024 and 2023:

	2024	2023	Estimated Useful Life
Office equipment	$ 24,189	$ 24,189	4 yrs
Program equipment	654,023	322,255	4 yrs
Furniture and fixtures	50,537	50,537	5 yrs
Capital improvements	18,939	18,939	7 yrs
Property and equipment, at cost	747,688	415,920	
Less: accumulated depreciation	262,125	139,380	
Property and equipment, net	$ 485,563	$ 276,540	

Depreciation expense amounted to $122,745 and $67,948 for the years ended December 31, 2024 and 2023, respectively.

NOTE E – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization manages its liquidity by maintaining sufficient cash and other financial assets to meet its general operating expenditures, liabilities, and other obligations as they come due. Excess cash is maintained in interest-bearing accounts to preserve liquidity and generate modest returns.

The following reflects the Organization’s financial assets as of December 31, 2024 and 2023 that are available within one year to fund general expenditures:

	2024	2023
Financial assets:		
Cash and cash equivalents	$ 3,763,050	$ 3,230,172

NOTE F – LEASE COMMITMENTS

The Organization leases its premises at 315 West 39th Street, New York, NY under a non-cancelable lease that expires on June 30, 2026. Achilles has classified this lease as an operating lease.

The following summarizes the line items in the balance sheet which include amounts for this operating lease as of December 31, 2024:

Operating lease right-of-use-asset, net	$ 170,455
Operating lease liability - current	138,256
Operating lease liability – long-term	68,469
Total operating lease liability	$ 206,725

The ROU asset and lease liability were calculated utilizing the risk-free discount rate (1.5%), according to the Organization's elected policy. The remaining lease term on the lease is 1.5 years.

Undiscounted future minimum lease payments displayed by year (and in the aggregate) under non-cancelable operating leases with terms of greater than one year, as of December 31, 2024, have been reconciled to the total operating and finance lease liabilities recognized on the balance sheet as of December 31, 2024:

Year ended December 31,	Amount
2025	$ 138,256
2026	68,469
Total lease payments	206,725
Less: imputed interest	2,529
Present value of lease liabilities	$ 204,196

Rent expense totaled $141,562 and $135,013 for the years ended December 31, 2024 and 2023, respectively, and is included in the caption "rent and utilities" in the accompanying statements of functional expenses.

NOTE G – INCOME TAXES

The Organization has no uncertain tax positions as of December 31, 2024 and 2023 in accordance with ASC Topic 740 *Income Taxes*, which provides standards for establishing and classifying any tax provisions for uncertain tax positions. The Organization is subject to federal, state and local income tax examinations by tax authorities for the years ended subsequent to December 31, 2021.

NOTE H – RETIREMENT PLAN

Achilles maintains a retirement plan for the benefit of its employees. Full-time employees are initially offered an opportunity to contribute to a SIMPLE (Savings Incentive Match Plan for Employees) IRA during the onboarding process. This retirement plan allows employees to contribute to traditional IRAs at any time during their employment and set up recurring deductions in the Organization’s payroll system. Once the application is approved, the brokerage account will be solely owned and managed by the employee, and it is their responsibility to manage their retirement. It is the Organization’s responsibility to make timely contributions to each account after each pay cycle.

Achilles offers a 2% match of annual salary for the employees participating in the plan, paid pro rata in each pay cycle. For the years ended December 31, 2024 and 2023, the match totaled $19,510 and $16,576, respectively. These amounts are included the caption “payroll taxes and employee benefits” in the accompanying statements of functional expenses.

NOTE I – SUBSEQUENT EVENTS

The Organization has evaluated events subsequent to the date of the statement of financial position through October 28, 2025, the date the financial statements were available to be issued.

In July 2025, the Organization executed a ten-year, non-cancelable operating lease for new office premises in New York City. The lease term commences on January 1, 2026 and expires on December 31, 2035. Monthly rent payments are due at the beginning of each month and increase annually in accordance with a fixed-rent schedule. The lease provides for nine rent-abatement months and does not contain any renewal or purchase options that are reasonably certain to be exercised.

NOTE I – SUBSEQUENT EVENTS, CONTINUED

As security for the lease, the Organization arranged for the issuance of an irrevocable standby letter of credit with JPMorgan Chase Bank, N.A. in the amount of $197,590, naming the landlord as beneficiary. The letter of credit was issued on July 10, 2025, initially expiring on June 30, 2026, with automatic one-year extensions through June 30, 2035, unless canceled by the issuer with prior written notice. The letter of credit serves solely as security for lease performance and is expected to be collateralized by a restricted-cash deposit of an equivalent amount.

Upon lease commencement on January 1, 2026, the Organization will record, in accordance with FASB ASC Topic 842, Leases, a right-of-use (ROU) asset and a corresponding lease liability equal to the present value of future lease payments, estimated at approximately $2,589,000, using the Organization’s incremental borrowing rate of 4.06 percent. Lease expense will be recognized on a straight-line basis of approximately $26,691 per month (about $320,295 per year) over the ten-year term.