

Sportable Richmond Adaptive Sports and Recreation, Inc.
Richmond, Virginia

Financial Statements
for the fiscal years ended
April 30, 2022 and 2021

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Sportable Richmond Adaptive Sports and Recreation, Inc.
Richmond, VA

We have audited the accompanying financial statements of Sportable Richmond Adaptive Sports and Recreation, Inc. (a nonprofit organization), which comprise the statements of financial position as of April 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the fiscal 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 Sportable Richmond Adaptive Sports and Recreation, Inc. as of April 30, 2022 and 2021, and the changes in its net assets and cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

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 Sportable Richmond Adaptive Sports and Recreation, 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 Sportable Richmond Adaptive Sports and Recreation, 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 accounting 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, including omissions, 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 Sportable Richmond Adaptive Sports and Recreation, 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 Sportable Richmond Adaptive Sports and Recreation, 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.

Lynchburg, Virginia
September 15, 2022

Sportable Richmond Adaptive Sports and Recreation, Inc.
Statements of Financial Position
April 30, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalent	\$ 620,203	\$ 365,235
Accounts receivable	-	936
Grant receivable	42,500	-
Pledge receivable, current, net of discount of \$-0- and \$0	17,450	75,000
Prepaid expense	17,643	36,768
Total current assets	697,796	477,939
Property and equipment		
Less accumulated depreciation	396,127	364,839
	293,990	242,932
Net property and equipment	102,137	121,907
Total assets	\$ 799,933	\$ 599,846
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 8,627	\$ 6,960
Accrued payroll and other expenses	5,981	2,267
Deferred revenue	45,545	28,041
Lease liability, current portion	2,018	2,901
Total current liabilities	62,171	40,169
Long-term liabilities		
SBA loan	150,000	150,000
Lease liability, long-term	-	2,018
Total long-term liabilities	150,000	152,018
Total liabilities	212,171	192,187
Net assets		
Without donor restrictions	525,545	214,850
With donor restrictions	62,217	192,809
Total net assets	587,762	407,659
Total liabilities and net assets	\$ 799,933	\$ 599,846

See notes financial statements.

Sportable Richmond Adaptive Sports and Recreation, Inc.
Statement of Activities
For the fiscal year ended April 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Public support			
Grants	\$ 237,000	\$ 57,542	\$ 294,542
Contributions	349,502	-	349,502
In-kind contributions	152,653	-	152,653
Government grants	129,143	-	129,143
Program registration fees	24,200	-	24,200
Merchandise sales	770	-	770
Fundraising events, net of expenses of \$39,161	187,670	-	187,670
Program events	35,303	-	35,303
	1,116,241	57,542	1,173,783
Other revenue			
Interest income	1,816	-	1,816
Other income	1,110	-	1,110
Investment loss	(27)	-	(27)
	2,899	-	2,899
Satisfaction of program restrictions			
	188,134	(188,134)	-
	1,307,274Dr	(130,592)	1,176,682
Expenses			
Program services	709,102	-	709,102
Management and general	63,569	-	63,569
Fundraising	223,908	-	223,908
	996,579	-	996,579
Increase (decrease) in net assets			
	310,695	(130,592)	180,103
Net assets at beginning of period	214,850	192,809	407,659
Net assets at end of period	\$ 525,545	\$ 62,217	\$ 587,762

See notes financial statements.

Sportable Richmond Adaptive Sports and Recreation, Inc.
Statement of Activities
For the fiscal year ended April 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue			
Public support			
Grants	\$ 50,000	\$ 312,966	\$ 362,966
Contributions	315,697	-	315,697
In-kind contributions	119,896	-	119,896
Program registration fees	17,935	-	17,935
Merchandise sales	151	-	151
Fundraising events, net of expenses of \$16,584	116,853	-	116,853
Program events	<u>7,100</u>	<u>-</u>	<u>7,100</u>
Total public support	<u>627,632</u>	<u>312,966</u>	<u>940,598</u>
Other revenue			
Other income	1,738	-	1,738
Investment loss	(<u>70</u>)	(<u>-</u>)	(<u>70</u>)
Total other revenue	<u>1,668</u>	<u>-</u>	<u>1,668</u>
Satisfaction of program restrictions	<u>178,091</u>	(<u>178,091</u>)	<u>-</u>
Total public support and revenue	<u>807,391</u>	<u>134,875</u>	<u>942,266</u>
Expenses			
Program services	498,695	-	498,695
Management and general	57,192	-	57,192
Fundraising	<u>162,198</u>	<u>-</u>	<u>162,198</u>
Total expenses	<u>718,085</u>	<u>-</u>	<u>718,085</u>
Increase (decrease) in net assets	89,306	134,875	224,181
Net assets at beginning of period	<u>125,544</u>	<u>57,934</u>	<u>183,478</u>
Net assets at end of period	<u>\$ 214,850</u>	<u>\$ 192,809</u>	<u>\$ 407,659</u>

See notes financial statements.

Sportable Richmond Adaptive Sports and Recreation, Inc.
Statement of Functional Expenses
For the fiscal year ended April 30, 2022

	Program Services	Management and General	Fundraising	Total
Salaries and payroll taxes	\$ 303,832	\$ 47,194	\$ 162,229	\$ 513,255
In-kind program expense	152,653	-	-	152,653
Sports programs	60,511	-	-	60,511
Depreciation	43,599	210	7,249	51,058
Rent and storage	27,322	579	4,900	32,801
Program event expense	28,639	-	1,591	30,230
Employee benefits	15,078	1,018	4,138	20,234
Professional fees	2,652	5,219	9,051	16,922
Automobile expense	14,796	12	54	14,862
Insurance	10,812	2,075	1,599	14,486
Advertising and promotion	2,428	-	8,834	11,262
Conferences and training	5,963	838	4,002	10,803
Dues and subscriptions	3,146	35	5,468	8,649
Telephone and internet	5,478	278	2,767	8,523
Miscellaneous	3,892	183	3,825	7,900
Computer expense	5,786	207	1,794	7,787
Office supplies	5,529	446	1,352	7,327
Uniforms	6,227	-	-	6,227
CNI wellness expenses	6,150	-	-	6,150
Interest	748	4,180	-	4,928
Printing	871	-	2,970	3,841
Meetings	1,527	777	991	3,295
Postage and mailings	114	43	1,094	1,251
Repairs and maintenance	1,087	-	-	1,087
Taxes and licenses	262	275	-	537
Total functional expenses	\$ <u>709,102</u>	\$ <u>63,569</u>	\$ <u>223,908</u>	\$ <u>996,579</u>

See notes financial statements.

Sportable Richmond Adaptive Sports and Recreation, Inc.
Statement of Functional Expenses
For the fiscal year ended April 30, 2021

	Program Services	Management and General	Fundraising	Total
Salaries and payroll taxes	\$ 228,437	\$ 42,751	\$ 117,962	\$ 389,150
In-kind program expense	116,896	-	-	116,896
Depreciation	45,500	336	7,824	53,660
Rent and storage	24,833	842	6,016	31,691
Sports programs	30,292	-	-	30,292
Professional fees	788	4,557	11,861	17,206
Insurance	9,496	2,342	1,752	13,590
Employee benefits	9,991	2,216	1,064	13,271
Automobile expense	12,831	-	-	12,831
Miscellaneous	2,660	319	4,894	7,873
Telephone and internet	4,016	240	1,700	5,956
Dues and subscriptions	1,095	1	4,536	5,632
Advertising and promotion	1,901	-	2,126	4,027
Interest	1,180	2,637	-	3,818
Office supplies	2,151	188	878	3,217
Program event expense	1,894	-	-	1,894
Bad debt	1,550	-	-	1,550
Meetings	536	413	466	1,415
Postage and mailings	542	49	499	1,090
Repairs and maintenance	940	-	125	1,065
Conferences and training	501	-	97	598
Taxes and licenses	242	275	-	517
Printing	135	-	316	451
Computer expense	288	26	82	396
Total functional expenses	\$ <u>498,695</u>	\$ <u>57,192</u>	\$ <u>162,198</u>	\$ <u>718,085</u>

See notes financial statements.

Sportable Richmond Adaptive Sports and Recreation, Inc.
Statements of Cash Flows
For the fiscal years ended April 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ 180,103	\$ 224,181
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	51,058	53,660
(Increase) decrease in:		
Accounts receivable	936	(936)
Contribution receivable	-	2,260
Grants receivable	(42,500)	1,550
Pledge receivable	57,550	(25,666)
Prepaid expense	19,125	(23,079)
Increase (decrease) in:		
Accounts payable	1,667	(2,049)
Accrued expenses	3,714	2,267
Deferred revenue	17,504	14,236
Net cash provided by operating activities	<u>289,157</u>	<u>246,424</u>
Cash flows from investing activities		
Purchase of fixed assets	(<u>31,288</u>)	(<u>5,609</u>)
Net cash used in investing activities	(<u>31,288</u>)	(<u>5,609</u>)
Cash flows from financing activities		
Net proceeds from SBA loan	-	150,000
Forgiveness of Paycheck Protection Program loan	-	(87,800)
Pay off line of credit	-	(30,000)
Payments on capital leases	(<u>2,901</u>)	(<u>2,443</u>)
Net cash provided by (used in) financing activities	(<u>2,901</u>)	<u>29,757</u>
Net increase in cash	\$ <u><u>254,968</u></u>	\$ <u><u>270,572</u></u>
Cash:		
Beginning of the period	\$ <u>365,235</u>	\$ <u>94,663</u>
End of the period	\$ <u><u>620,203</u></u>	\$ <u><u>365,235</u></u>
Cash is comprised of the following:		
Unrestricted cash	\$ 557,986	\$ 247,426
Restricted cash	<u>62,217</u>	<u>117,809</u>
	\$ <u><u>620,203</u></u>	\$ <u><u>365,235</u></u>
Supplemental disclosures:		
Cash paid for interest	\$ <u>4,928</u>	\$ <u>3,818</u>

See notes financial statements.

Sportable Richmond Adaptive Sports and Recreation, Inc.
Notes to Financial Statements
April 30, 2022 and 2021

Note 1 - Nature of Organization

Sportable Richmond Adaptive Sports and Recreation, Inc. (“Organization”) is a nonprofit organization whose purpose is to transform the lives of people with physical and visual disabilities through sports programs in the Richmond, Virginia area.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of Sportable Richmond Adaptive Sports and Recreation, Inc. have been prepared on the accrual basis of accounting. The significant accounting policies are described as follows to enhance the usefulness of the financial statements to the reader.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that the resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and revenue recognition

The Organization’s revenue consists of membership dues. Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Organization recognizes the exchange portion of the membership dues over the membership period, and the contribution portion immediately. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

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 of which they depend have been met.

The Organization accounts for contributions in accordance with Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. In accordance with ASC 958, contributions received are recorded as with or without donor restriction support depending on the existence and/or nature of any donor restrictions.

Gifts of cash and other assets are presented as with donor restriction support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Gifts of property and equipment are presented as without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions are recorded as of the date cash or unconditional promises to give are received. Contributions other than cash are recorded at the estimated fair market values on the date of the contribution.

Sportable Richmond Adaptive Sports and Recreation, Inc.
Notes to Financial Statements
April 30, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase 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.

Advertising

The Organization expenses advertising costs as such costs are incurred. Advertising expense was \$11,262 and \$4,027 for the years ended April 30, 2022 and 2021.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all cash accounts which are not subject to withdrawal restrictions or penalties and all highly liquid debt instruments purchased with a maturity of three months or less, to be cash or cash equivalents. The Company maintains substantially all of its cash balances at one financial institution. The account at the financial institution is insured by the Federal Deposit Insurance Corporation up to \$250,000. As of April 30, 2022 and 2021, there were uninsured balances of \$370,203 and \$115,235.

Accounts Receivable

Accounts receivable are reviewed by management periodically and any that are considered to be uncollectible are expensed at that time. Recoveries of accounts previously charged off are credited to income in the year received.

Promises to give

Unconditional promises to give (pledges receivable) are recognized as support in the period in which the promise is made. Unconditional promises to give which are due in the following year are presented as a current asset in the accompanying statement of financial position and are recorded at the estimated amount to be ultimately realized. Unconditional promises to give which are due after the following year are presented as long-term unconditional promises to give in the accompanying statement of financial position and are recorded at the present value of their estimated future cash flows using discount rates approximating the rates of return on U.S. government securities. Conditional promises to give are recognized in the period when the conditions on which they depend are substantially met.

Investments

Investments are valued at fair market value.

Property and Equipment

Property and equipment is stated in the financial statements at cost. The Organization has established a capitalization level of \$1,500. Depreciation is computed on the straight-line method over the estimated useful lives of the property. When assets are retired or otherwise disposed of, the costs and accumulated depreciation are eliminated from the account.

Deferred revenue

Deferred revenue consists of memberships and fees paid to use program services and equipment made in advance of the period used and also consists of event entry fees made in advance of the period in which the event is held.

Estimates

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

Sportable Richmond Adaptive Sports and Recreation, Inc.
Notes to Financial Statements
April 30, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes

No provision for income taxes has been made in the financial statements because the Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Code.

The Financial Accounting Standards Board issued ASC 740-10, Accounting for Uncertainty in Income Taxes, which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at April 30, 2022 and 2021. Fiscal years ending on or after December 31, 2019 (fiscal year change) remain subject to examination by federal and state tax authorities.

Donated services

The financial statements do not reflect the value of donated services of a substantial number of volunteers working with the Organization since no objective basis is available to measure the value or extent of such services.

Accounting standards require recording the value of donated time and services that create or enhance non-financial assets or require specialized skills. Operating services of \$136,853 were donated as of April 30, 2022.

New accounting pronouncements

In September 2020, FASB issued ASU No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). The amendments are effective for annual periods beginning after June 15, 2021. The amendments are to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. Early implementation is permitted but the Organization has not adopted.

Note 3 – Pledges receivable

The Organization has pledges receivable due in future years. The face value of the pledges has not been discounted all are current as of April 30, 2022 and 2021.

<u>Face Value</u>	<u>Present Value Discount</u>	<u>2022 Discounted Pledges</u>	<u>2021 Discounted Pledges</u>
\$ <u>17,450</u>	\$ <u>-</u>	\$ <u>17,450</u>	\$ <u>75,000</u>
\$ <u>17,450</u>	\$ <u>-</u>	\$ <u>17,450</u>	\$ <u>75,000</u>
Allowance for losses		<u>-</u>	<u>-</u>
Net pledges receivable		\$ <u>17,450</u>	\$ <u>75,000</u>

Sportable Richmond Adaptive Sports and Recreation, Inc.
Notes to Financial Statements
April 30, 2022 and 2021

Note 4 – Property and Equipment

The original value and accumulated depreciation for the years ended April 30, 2022 and 2021 were as follows:

	2022 Original Value	2022 Accumulated Depreciation	2021 Original Value	2021 Accumulated Depreciation
Sports equipment	\$ 268,131	\$ 197,497	\$ 236,843	\$ 171,899
Office equipment	51,300	37,626	51,300	22,436
Automobiles	59,510	53,228	59,510	44,241
Leasehold improvements	17,186	5,639	17,186	4,356
	<u>\$ 396,127</u>	<u>\$ 293,990</u>	<u>\$ 364,839</u>	<u>\$ 242,932</u>

Note 5 - Line of Credit

On February 22, 2019, the Organization opened a line of credit with a local bank, which provides for short-term borrowings up to \$200,000, with interest payable monthly at prime rate plus 1.00%. The outstanding balance on the line of credit as of April 30, 2022 and 2021 was \$-0- and \$-0-. The interest rate as of April 30, 2022 and 2021 was 5.00%.

Note 6 - Note Payable

The Organization received a loan October 9, 2020, from the Small Business Administration (“SBA”). The note payable is \$150,000 with an interest rate of 2.75%. Monthly payments of \$641 begin twelve months from the date of the promissory note. The loan matures October 9, 2050, with all loan proceeds and accrued interest due. The loan balance is \$150,000 and accrued interest is \$4,182 and \$1,798 as of April 30, 2022 and 2021.

Note 7 – Capital Leases

Equipment held under capital leases at April 30, 2022 and 2021 consists of the following:

	2022	2021
Equipment	\$ 9,549	9,549
Less accumulated depreciation	<u>5,835</u>	<u>3,925</u>
Equipment under capital leases, net	<u>\$ 3,714</u>	<u>5,624</u>

Capital lease obligations at April 30, 2022 consist of the following:

	Maturity Date	2022	2021
Non-cancelable equipment lease, payable in monthly installments of \$196, including imputed interest of 14.955%, secured by leased equipment	2022	\$ 1,129	\$ 3,150
Non-cancelable equipment lease, payable in monthly installments of \$7, including imputed interest of 5.25%, secured by leased equipment	2022	829	148
Non-cancelable equipment lease, payable in monthly installments of \$93, including imputed interest of 25.118%, secured by leased equipment	2023	<u>60</u>	<u>1,621</u>
		2,018	4,919
Less current portion of capital lease obligations		<u>2,018</u>	<u>2,901</u>
		<u>\$ -</u>	<u>\$ 2,018</u>

Sportable Richmond Adaptive Sports and Recreation, Inc.
Notes to Financial Statements
April 30, 2022 and 2021

Note 7 – Capital Leases (continued)

Future minimum capital lease payments as of April 30, 2022 are as follows:

Year	
2023	\$ <u>2,018</u>
	\$ <u><u>2,018</u></u>

Note 8 – Operating Leases

The Organization leases office space. Rent expense, under the non-cancellable operating leases, totaled \$32,801 and \$31,691 for the fiscal years ending April 30, 2022 and 2021. The lease includes annual rent escalation clauses.

Future minimum rental payments under non-cancellable operating leases as of April 30, 2022 are as follows:

Year	
2023	\$ <u>22,156</u>
	\$ <u><u>22,156</u></u>

Note 9 – Related Party

During the fiscal years ended April 30, 2022 and 2021, the Organization received contributions from its board members.

Note 10 – Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 11 – In-kind Support

The Organization received the following in-kind support for the periods ended April 30, 2022 and 2021:

	2022	2021
YMCA memberships	\$ 130,536	\$ 107,736
Facility rental	11,087	-
Miscellaneous goods	1,550	-
Storage units	9,480	9,160
Handcycle and sport chair	-	3,000
	<u>152,653</u>	<u>119,896</u>
Total in-kind support	\$ <u><u>152,653</u></u>	\$ <u><u>119,896</u></u>

Note 12 – Donor Restricted Net Assets

Net assets with donor restrictions at April 30, 2022 and 2021 consisted of the following:

	2022	2021
Restricted for equipment/programs	\$ <u>62,217</u>	\$ <u>192,809</u>
	<u><u>62,217</u></u>	<u><u>192,809</u></u>

Sportable Richmond Adaptive Sports and Recreation, Inc.
Notes to Financial Statements
April 30, 2022 and 2021

Note 13 – Liquidity and Availability

The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments.

The Organization considers contributions with and without donor restrictions, grants with and without donor restrictions, sponsorships, program revenues, and fundraising event revenues for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include general and administrative expenses and fundraising expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Organization's fiscal year.

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term commitments and obligations will continue to be met, ensuring the stability of the Organization.

The table below presents financial assets available for general expenditures within one year at April 30, 2022:

Financial assets at year-end:	
Cash and cash equivalents	\$ 620,203
Grants receivable	42,500
Pledges receivable	<u>17,450</u>
Total financial assets	<u>\$ 680,153</u>
Less amounts not available to be used for general expenditures	
Cash and cash equivalents, restricted for specific programs	<u>62,217</u>
Financial assets not available to be used within one year	<u>62,217</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 617,936</u></u>

Note 14 – Paycheck protection program loan

The Organization received a loan on April 9, 2020, under the Paycheck Protection Program of the CARES Act in the amount of \$87,800. The Organization applied for forgiveness and was notified on March 22, 2021, that the loan of \$87,800 was forgiven.

Note 15 – COVID-19 impacts

The Organization's operations may be affected by the ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Organization's membership and donation revenue, absenteeism in the Organization's labor workforce, unavailability of products or services used in operations, and a decline in the value of assets held by the Organization, including cash, receivables and property and equipment. The Organization continues to monitor developments, including government requirements and recommendations at the national, state, and local level to evaluate business decisions. Management is confident that the resources, business experience and leadership team in place will successfully navigate this period of uncertainty.

Note 16– Subsequent events

The Organization has evaluated subsequent events through September 15, 2022, the date the report is available for issuance. No events requiring disclosure have been noted.