

ACHILLES INTERNATIONAL, INC.
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT
DECEMBER 31, 2020 AND 2019

ACHILLES INTERNATIONAL, INC.

DECEMBER 31, 2020 AND 2019

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JOSEPH L. GIL, C.P.A., M.S.

Independent Auditor's Report

To The Board of Directors of
Achilles International, Inc.

We have audited the statements of financial position of Achilles International, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

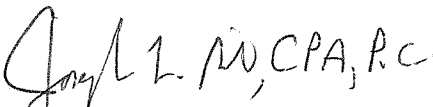
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Joseph L. Wu, CPA, PC.
Port Washington, New York
April 29, 2021

ACHILLES INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 2,462,272	\$ 1,805,237
Contributions Receivable	13,125	452,091
Prepaid expenses	12,575	-
Security Deposit	55,183	-
Property and equipment, net	<u>86,668</u>	<u>66,035</u>
Total assets	<u><u>\$ 2,629,823</u></u>	<u><u>\$ 2,323,363</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 13,858	\$ 10,852
Deferred Rent	30,505	-
Deferred Revenue	<u>-</u>	<u>37,000</u>
Total liabilities	44,363	47,852
Net Assets		
Without donor restrictions	2,347,121	2,275,511
With donor restrictions	<u>238,339</u>	<u>-</u>
Total net assets	<u><u>2,585,460</u></u>	<u><u>2,275,511</u></u>
Total liabilities and net assets	<u><u>\$ 2,629,823</u></u>	<u><u>\$ 2,323,363</u></u>

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

ACHILLES INTERNATIONAL, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	FOR THE YEAR ENDED DECEMBER 31, 2020				FOR THE YEAR ENDED DECEMBER 31, 2019			
	Without Donor Restrictions	With Donor Restrictions	Total 2020		Without Donor Restrictions	With Donor Restrictions	Total 2019	
Support and Revenue								
Contributions and Grants	\$ 754,087	\$ 1,012,273	\$ 1,766,360		\$ 2,636,210	\$ -	\$ 2,636,210	
Special Events:								
Income	370,227	-	370,227		1,691,492	-	1,691,492	
Less: related direct expense	(29,459)	-	(29,459)		(23,326)	-	(23,326)	
Net special event income	340,767	-	340,767		1,668,166	-	1,668,166	
Donated Services	-	-	-		35,000	-	35,000	
Interest Income	3,497	-	3,497		3,215	-	3,215	
Total support and revenue	1,098,351	1,012,273	2,110,624		4,342,591	-	4,342,591	
Expenses								
Program Expense	1,459,446	-	1,459,446		2,402,913	-	2,402,913	
Management and General	373,074	-	373,074		365,901	-	365,901	
Fundraising	223,209	-	223,209		212,289	-	212,289	
Total expenses	2,055,729	-	2,055,729		2,981,103	-	2,981,103	
Change in net assets	(957,378)	1,012,273	54,895		1,361,488	-	1,361,488	
Net assets - beginning of year	2,275,511	-	2,275,511		1,025,216	-	1,025,216	
Transfer	773,934	(773,934)	-		-	-	-	
Adjustments to net assets	255,055	-	255,055		(111,193)	-	(111,193)	
Net assets - end of year	\$ 2,347,121	\$ 238,339	\$ 2,585,460		\$ 2,275,511	\$ -	\$ 2,275,511	

The accompanying notes are an integral part of these financial statements.
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ACHILLES INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 54,895	\$ 1,361,488
Adjustments for non-cash items including operating activities		
Adjustment to net assets	255,055	(111,193)
Depreciation and Amortization	16,839	16,192
Changes in operating assets and liabilities		
Contributions Receivable	438,966	(427,091)
Prepaid expenses	(12,575)	26,488
Security deposit	(55,183)	30,950
Accounts payable and accrued expenses	3,006	(2,168)
Deferred Rent	30,505	-
Deferred Revenue	(37,000)	37,000
Net cash provided, by operating activities	<u>694,508</u>	<u>931,666</u>
Cash flows from investing activities		
(purchase), disposal of property and equipment	<u>(37,472)</u>	<u>47,016</u>
Net cash (used), provided by investing activities	(37,472)	47,016
Net increase, in cash	657,036	978,682
Cash and cash equivalents - beginning of year	<u>1,805,237</u>	<u>826,555</u>
Cash and cash equivalents - end of year	<u><u>\$ 2,462,273</u></u>	<u><u>\$ 1,805,237</u></u>

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

ACHILLES INTERNATIONAL, INC.
STATEMENT OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			
	Program Expenses	Management & General	Fundraising	Totals
Personnel Costs:				
Salaries	\$ 692,019	\$ 262,493	\$ 177,671	\$ 1,132,183
Payroll taxes & employee benefits	135,315	26,481	21,721	183,517
Total personnel costs	827,334	288,974	199,392	1,315,700
Direct Expenses:				
Chapter Events	-	-	-	-
Consultants	-	-	-	-
Depreciation	11,480	5,359	-	16,839
In Kind	756	-	-	756
Equipment	23,600	-	-	23,600
Insurance	3,896	19,235	-	23,131
Miscellaneous	321	6,369	847	7,537
Office supplies & Expenses	43	2,544	-	2,587
Postage & delivery	1,209	927	70	2,205
Printing and copying	2,398	779	393	3,571
Professional services	37,972	34,680	9,388	82,040
Program expenses-other	470,606	700	20	471,326
Rent and utilities	65,798	10,967	10,966	87,731
Telephone	14,031	2,133	2,133	18,298
Travel and Meetings	-	408	-	408
Total direct expenses	632,112	84,100	23,817	740,029
Total expenses	\$ 1,459,446	\$ 373,074	\$ 223,209	\$ 2,055,729

The accompanying notes are an integral part of these financial statements.
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ACHILLES INTERNATIONAL, INC.
STATEMENT OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019			
	Program Expenses	Management & General	Fundraising	Totals
Personnel Costs:				
Salaries	\$ 707,678	\$ 108,240	\$ 103,081	\$ 918,999
Payroll taxes & employee benefits	85,659	13,558	14,194	113,411
Total personnel costs	793,337	121,798	117,275	1,032,410
Direct Expenses:				
Chapter Events	-	-	-	-
Consultants	15,000	34,374	78,750	128,124
Depreciation	15,986	206	-	16,192
In Kind	35,000	-	-	35,000
Equipment	20,986	154	-	21,140
Insurance	4,914	22,312	-	27,226
Miscellaneous	9,407	9,968	90	19,465
Office supplies & Expenses	92	19,463	-	19,555
Postage & delivery	1,975	1,915	-	3,890
Printing and copying	-	2,458	-	2,458
Professional services	7,939	130,178	-	138,117
Program expenses-other	1,107,154	13,688	15,832	1,136,674
Rent and utilities	54,025	7,718	-	61,743
Telephone	11,603	1,669	-	13,272
Travel and Meetings	325,495	-	342	325,837
Total direct expenses	1,609,576	244,103	95,014	1,948,693
Total expenses	\$ 2,402,913	\$ 365,901	\$ 212,289	\$ 2,981,103

The accompanying notes are an integral part of these financial statements.
(7)

ACHILLES INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Achilles International, Inc. (the Organization) was incorporated in 1984, under the laws of the State of New York, as a not-for-profit organization, as defined by Internal Revenue Code Section 501(c)(3) and, accordingly, is exempt from federal income taxes and from state and local taxes under comparable laws.

The Organization's mission is to enable people with disabilities to compete in mainstream athletics with a focus on long distance/marathon running.

NOTE 2 - 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 Organization are reported according to two classes of net assets, when applicable: net assets without donor restrictions and net assets with donor restrictions.

Concentrations of Credit Risk

The Organization maintains cash in several bank accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses with respect to such accounts.

Revenue Recognition

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Contributions (including unconditional promises to give) are recorded at fair value when received. Contributions received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions. Conditional promises to give are not included as support until the conditions are substantially met.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking, savings and insured deposit accounts.

ACHILLES INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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 a straight-line basis over their estimated useful lives of the assets.

Donated Goods and Services

The Organization recognizes revenues and expenses from contributed services. Volunteers have donated time to the Agency's program services and fund-raising campaigns during the year.

Cost Allocation

The financial statements report certain categories of expense that are attributable to more than one supporting function. These expenses require allocation on a reasonable basis that is consistently applied. Identifiable expenses made in direct fulfillment of the Agency's expressed goals are classified as program expenses. Common expenses are allocated among program, administration and fund raising based on management's estimates including such factors as time expended or space utilized.

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.

ACHILLES INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2020</u>	<u>2019</u>
Financial assets at year-end		
Cash	\$ 2,462,272	\$ 1,805,237
Receivables	<u>13,125</u>	<u>452,091</u>
Total financial assets	2,475,397	2,257,328
Less those unavailable for general expenditures within one year:	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,475,397</u>	<u>\$ 2,257,328</u>

ACHILLES INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2020 and 2019:

	December 31, <u>2020</u>	<u>2019</u>	<u>Useful Life</u>
Office Equipment	\$ 7,954	\$ 3,387	4
Program Equipment	29,290	21,445	4
Furniture & Fixtures	50,538	-	5
Capital Improvements	18,938	-	
Vehicles	<u>-</u>	<u>60,000</u>	5
	106,720	84,832	
Less accumulated			
Depreciation	<u>(20,052)</u>	<u>(18,797)</u>	
	<u>\$ 86,668</u>	<u>\$ 66,035</u>	

Depreciation expense amounted to \$16,839 and \$16,192 for the years ended December 31, 2020 and 2019 respectively.

NOTE 5 - LEASE COMMITMENTS

Rent expense computed on the straight-line basis, totaled \$131,242 and \$0, respectively, for the years ended December 31, 2020 and 2019 and is included in occupancy expense in the accompanying financial statements. Achilles International, Inc. recorded a deferred rent liability at December 31, 2020 and 2019 of \$30,050 and \$0, respectively.

The Organization leases its premises at 315 West 39th Street, New York NY 10018 under a lease that expires on October 31, 2025. Future minimum rental payments through October 31, 2025, exclusive of escalation charges, are as follows for the years ended December 31st:

ACHILLES INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 5 - LEASE COMMITMENTS (Continued)

2021	124,012
2022	127,732
2023	134,364
2024	138,395
2025	142,547
Thereafter	-
Total	<u>\$ 667,050</u>

NOTE 6 - INCOME TAXES

The Organization has no uncertain tax positions as of December 31, 2020 and 2019 in accordance with Accounting Standards Codification ("ASC") Topic 740 ("Income Taxes"), which provides standards for establishing and classifying any tax provisions for uncertain tax positions. The Organization is no longer subject to federal or state and local income tax examinations by tax authorities for the years ended before December 31, 2017.

NOTE 7 - SUBSEQUENT EVENTS

The Organization has evaluated events subsequent to the date of the statement of financial position through April 29, 2021, the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Organization. Such potential impact is unknown at this time. The Organization has determined that no subsequent events requiring disclosure or modification of the financial statements as of the statement of financial position date existed.