

RUNNIN' FOR RHETT

FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 and 2022

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Pinnacle Accounting
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Runnin for Rhett

We have reviewed the accompanying financial statements of Runnin' for Rhett (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. 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.

We are required to be independent of Runnin' for Rhett and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

Based on our reviews, 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.

Review Report on December 31, 2022 Financial Statements

The financial statements of Runnin for Rhett as of December 31, 2022, were reviewed by Chavez Accountancy Corporation whose report dated May 8, 2023, stated that based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Pinnacle Accounting & Financial Services

PINNACLE ACCOUNTING & FINANCIAL SERVICES

Sacramento, CA
April 17, 2024

RUNNIN' FOR RHETT
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and

ASSETS

	2023	2022
CURRENT ASSETS:		
Cash and cash equivalents	\$ 271,920	\$ 313,418
Investments	212,345	184,274
Beneficial interest in assets of community foundation	52,312	47,445
Accounts receivable	52,374	51,103
Prepaid expenses	13,327	5,763
Inventory	2,444	11,552
Total current assets	604,722	613,555
PROPERTY AND EQUIPMENT, net	1,833	-
TOTAL ASSETS	\$ 606,555	\$ 613,555

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 70	\$ 7,982
Accrued expenses	28,920	24,562
Deferred revenue	68,693	72,453
TOTAL LIABILITIES	97,683	104,997
NET ASSETS:		
Without donor restrictions		
Board designated for quasi-endowment	52,312	47,445
Board designated for reserves	212,345	184,274
Undesignated	244,215	276,839
Total net assets without donor restrictions	508,872	508,558
TOTAL NET ASSETS	508,872	508,558
TOTAL LIABILITIES AND NET ASSETS	\$ 606,555	\$ 613,555

See accompanying notes to the financial statements.

RUNNIN' FOR RHETT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2023

REVENUES:	Without Donor Restrictions	With Donor Restrictions	Total
Special events:			
Special event revenue	\$ 376,030	\$ -	\$ 376,030
Special event contributed nonfinancial asset revenue	25,038	-	25,038
Special event expense	(112,625)	-	(112,625)
Special event contributed nonfinancial asset expense	(25,038)	-	(25,038)
Net revenue from special events	263,405	-	263,405
Contributions and grants	131,437	25,500	156,937
Program service revenue	83,659	-	83,659
Contributed nonfinancial assets	428,921	-	428,921
Merchandise sales	6,326	-	6,326
Short term investment income	12,602	-	12,602
Change in beneficial interest	6,827	-	6,827
Investment gain, net	28,070	-	28,070
Net assets released from restrictions	25,500	(25,500)	-
Total revenue and support	986,747	-	986,747
EXPENSES:			
Program services	833,808	-	833,808
Management and general	106,570	-	106,570
Fundraising	46,055	-	46,055
Total expenses	986,433	-	986,433
CHANGE IN NET ASSETS	314	-	314
NET ASSETS, BEGINNING	508,558	-	508,558
NET ASSETS, ENDING	\$ 508,872	\$ -	\$ 508,872

See accompanying notes to the financial statements.

RUNNIN' FOR RHETT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2022

REVENUES:	Without Donor Restrictions	With Donor Restrictions	Total
Special events:			
Special event revenue	\$ 430,174	\$ -	\$ 430,174
Special event contributed nonfinancial asset revenue	24,511	-	24,511
Special event expense	(132,691)	-	(132,691)
Special event contributed nonfinancial asset expense	(24,511)	-	(24,511)
Net revenue from special events	297,483	-	297,483
Contributions and grants	113,674	20,000	133,674
Program service revenue	74,183	-	74,183
Contributed nonfinancial assets	355,355	-	355,355
Merchandise sales	4,472	-	4,472
Change in beneficial interest	115	-	115
Investment loss, net	(46,947)	-	(46,947)
Net assets released from restriction	27,500	(27,500)	-
Total revenue and support	825,835	(7,500)	818,335
EXPENSES:			
Program services	725,575	-	725,575
Management and general	97,428	-	97,428
Fundraising	69,318	-	69,318
Total expenses	892,321	-	892,321
CHANGE IN NET ASSETS	(66,486)	(7,500)	(73,986)
NET ASSETS, BEGINNING	575,044	7,500	582,544
NET ASSETS, ENDING	\$ 508,558	\$ -	\$ 508,558

See accompanying notes to the financial statements.

RUNNIN' FOR RHETT
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Program Services	Management & General	Fundraising	Total
Contributed nonfinancial assets	\$ 398,133	\$ 29,888	\$ 900	\$ 428,921
Salaries and wages	223,734	27,542	23,780	275,056
Youth fitness program expenses	131,538	-	75	131,613
Accounting fees	-	28,200	-	28,200
Employee benefits	20,246	2,492	2,152	24,890
Credit card processing fees	13,265	707	7,440	21,412
Payroll taxes	16,922	2,083	1,799	20,804
Adult fitness program expenses	18,286	-	16	18,302
Travel and meals	5,921	3,356	2,102	11,379
Advertising	1,572	200	6,665	8,437
Software and technology	684	5,740	51	6,475
Insurance	-	3,446	-	3,446
Telephone	1,280	1,050	270	2,600
Office supplies	210	1,256	24	1,490
Postage and shipping	804	12	515	1,331
Bank and payroll fees	766	94	82	942
Printing and copying	436	168	111	715
Staff training and development	11	169	73	253
Depreciation	-	167	-	167
Total expenses	\$ 833,808	\$ 106,570	\$ 46,055	\$ 986,433

See accompanying notes to the financial statements.

RUNNIN' FOR RHETT
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Program Services	Management & General	Fundraising	Total
Contributed nonfinancial assets	\$ 329,754	\$ -	\$ -	\$ 329,754
Salaries and wages	157,513	26,059	42,236	225,808
Youth fitness program expenses	169,304	-	-	169,304
Credit card processing fees	17,139	103	9,110	26,352
Accounting fees	-	25,839	-	25,839
Technology in-kind	-	25,600	-	25,600
Payroll taxes	12,387	2,049	3,321	17,757
Adult fitness program expenses	17,390	-	-	17,390
Employee benefits	11,597	1,919	3,110	16,626
Software and technology	762	6,828	1,877	9,467
Travel and meals	5,812	1,694	1,937	9,443
Advertising	1,571	-	7,271	8,842
Insurance	-	3,737	75	3,812
Telephone	50	1,850	-	1,900
Postage and shipping	1,236	100	81	1,417
Office supplies	385	738	-	1,123
Bank and payroll fees	628	104	169	901
Staff training and development	11	469	63	543
Printing and copying	36	339	68	443
Total expenses	\$ 725,575	\$ 97,428	\$ 69,318	\$ 892,321

See accompanying notes to the financial statements.

RUNNIN' FOR RHETT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 314	\$ (73,986)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	167	-
Loss (Gain) on beneficial interest	(6,827)	-
Loss (Gain) on investments	(28,070)	47,585
(Increase) decrease in:		
Accounts receivable	(1,271)	840
Prepaid expenses	(7,564)	6,740
Inventory	9,108	(6,328)
Increase (decrease) in:		
Accounts payable	(7,912)	6,956
Accrued expenses	4,358	(533)
Deferred revenue	(3,760)	1,862
Net cash flows used in operating activities	(41,457)	(16,864)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of Beneficial interest in assets of community foundation	1,960	-
Purchase of investments	-	(9,367)
Purchase of website	(2,000)	-
Net cash used in investing activities	(40)	(9,367)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(41,497)	(26,231)
CASH AND CASH EQUIVALENTS, beginning of year	313,418	339,649
CASH AND CASH EQUIVALENTS, end of year	\$ 271,921	\$ 313,418

See accompanying notes to the financial statements.

RUNNIN' FOR RHETT
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 1 – ORGANIZATION:

Runnin' for Rhett (the “Organization”) of Elk Grove, California is a not-for-profit organization that was founded on December 7, 2007, in honor of Rhett Seevers, a little boy with severe cerebral palsy who couldn't run or walk. The Organization's mission is to inspire people to Move Into Life. The Youth Fitness Program is designed to combat childhood obesity in at-risk youth by educating young people and their families on fitness and nutrition. The Runnin' for Rhett Foundation makes training available at no charge to schools in the 4-county Sacramento area. The Organization hopes to use the program to touch the lives of all youth from a wide variety of different backgrounds. It is their experience that youth who feel like a part of a team – accepted and encouraged – hold a higher self-worth, and will be more prepared for life's challenges. Since 2010, the Organization has spent over \$1,366,476 on our Youth Fitness Program, reaching more than 46,923 students in cumulative total of 1,160 schools in the Greater Sacramento Area. Runnin' for Rhett is primarily funded by the proceeds from fundraising events, donor contributions, and sponsorships.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting – The Organization prepares its financial statements using the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (GAAP). Net asset, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions.

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted the policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

RUNNIN' FOR RHETT
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Cash and Cash Equivalents – Cash and cash equivalents consist of cash on hand and highly liquid investments with original or remaining maturities of three months or less at the time of purchase.

Allocation for Doubtful Accounts – An allowance for doubtful accounts is recorded based on management's prior years' experience and analysis of the specific accounts. Receivables are written off when management believes the collectability is unlikely. At December 31, 2023 and 2022, no allowance was deemed necessary.

Investments – Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less internal and external investment expenses.

Inventory – Inventories consisting of items held for resale are carried at the lower of cost (first-in, first-out) or market.

Property and equipment – Acquisitions of property and equipment in excess of \$2,000 are capitalized and stated at cost. Donated property and equipment are reported at fair value at the date of the gift. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable. Impairment is recognized if the sum of the undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

Revenue and Revenue Recognition – Contributions are recognized when cash, securities or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Conditional promise to give – that is, with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been substantially met. The Organization records special event revenue equal to the fair value of direct benefits to donor, and contribution revenue for the excess received (if any) when the event takes place. All amounts received prior to the events are deferred to the applicable period.

RUNNIN' FOR RHETT
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Contributions – Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Contributions and grants without donor restrictions are recorded as unrestricted revenue when received. All contributions are considered to be available for use without restriction unless specifically restricted by the donor.

All donor-restricted contributions and grants are reported as increases in restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

When the Organization restricts funds, it first posts to a revenue account to affect the statement of activities and changes in net assets. The Organization then posts to a contra-revenue account that automatically decreases the amount of revenue recognized by accruing the receivable.

Contributed non-financial assets – The Organization receives contributed non-financial asset donations of program supplies and fundraiser items. These donations are reported at fair market value and are included in contributions on the statement of activities and changes in net assets and expenses on the statement of functional expenses.

Expense Allocation – The costs of providing the various program services and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting services based on estimates of employees' time incurred and usage of resources.

Use of Estimates – The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RUNNIN' FOR RHETT
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Income Taxes – The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and are considered a publicly supported organization.

The management has processes presently in place to ensure maintenance of their tax-exempt statuses; to identify and report unrelated business income; to determine their filing and tax obligations for which they have nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has evaluated the tax positions and related income tax contingencies and do not believe that any material uncertain tax positions exist that require recognition or disclosure in the financial statements.

Financial Instruments and Credit Risk – The Organization manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by them to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, there weren't any losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from funding sources supportive of their mission. Investments are made by investment managers whose performance is monitored by the Organization and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Recent Accounting Pronouncements – During the year ended December 31, 2023, the Organization adopted ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The guidance requires the presentation of contributed nonfinancial assets as a separate line item in the statement of activities, disclosure of the disaggregated amount by type and disclosure of qualitative information about whether the contributed nonfinancial assets were monetized or utilized during the reporting period as well as a description of the programs or other activities in which the assets were used. The guidance also requires disclosure of any donor-imposed restrictions and a description of valuation techniques.

Subsequent Events – Subsequent events have been evaluated through April 17, 2024, which was the date the financial statements were available to be issued.

RUNNIN' FOR RHETT
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 3 – LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position to date, comprise the following:

	2023	2022
Cash and cash equivalents	\$ 271,920	\$ 313,418
Accounts receivable	52,374	51,103
Investments	264,657	231,719
Total financial assets at year-end	588,951	596,240
Less those unavailable for general expenditures within one year, due to:		
Board designated for quasi-endowment	(52,312)	(47,445)
Board designated for reserves	(212,345)	(184,274)
Financial assets available to meet cash needs for general expenditures within one year	\$ 324,294	\$ 364,521

There is also a board-designated reserve of \$212,345 and \$184,274 available at December 31, 2023 and 2022, respectively. Although management does not intend to spend from the reserve, these amounts could be made available if necessary.

The Organization maintains a liquid cash balance in checking and money market accounts in an amount necessary to meet our anticipated expenditures for at least the next 60 days. Cash in excess of this may be invested in short-term investments.

RUNNIN' FOR RHETT
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 4 – INVESTMENTS:

Investments consisted of the following as of December 31:

	2023	2022
Diversified investments	\$ 212,345	\$ 184,274
Total investments	\$ 212,345	\$ 184,274

Investment return consisted of the following for the years ended December 31:

	2023	2022
Investment (loss) return, net	\$ 36,182	\$ 46,947

NOTE 5 – BENEFICIAL INTEREST IN ASSETS OF COMMUNITY FOUNDATION:

The Organization has transferred assets to the Sacramento Region Community Foundation (Foundation) to establish an endowment fund. The agreement states that the transfer is irrevocable and that the assets will not be returned to the Organization. However, the Foundation will make distributions of income earned on the endowment fund to the Organization, subject to the Foundations spending policy. Runnin' for Rhett has granted the Foundation variance power which allows the Foundation, at its sole discretion and subject to the certain conditions to, modify any condition or restriction on the distribution of funds. A distribution of \$1,960 and zero were received by the Organization for the years ended December 31, 2023 and 2022, respectively. A beneficial interest has been recorded in assets held by the Foundation totaling \$52,312 and \$47,445 as of December 31, 2023 and 2022, respectively.

NOTE 6 – FAIR VALUE MEASUREMENTS:

In accordance with generally accepted accounting principles, the Organization uses the following prioritized input levels to measure fair value. The input level used for valuing instruments are not necessarily an indication of risk.

Level 1 Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

Level 2 Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.

Level 3 Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participations would use in pricing the asset or liability including assumptions about such as bid/ask spreads and liquidity discounts.

RUNNIN' FOR RHETT
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 6 – FAIR VALUE MEASUREMENTS (continued):

Investments are reported at fair value and consist of the following as of December 31, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Diversified investments	\$ 212,345	\$ 212,344	\$ -	\$ -
Beneficial interest in assets held by Community Foundation	<u>52,312</u>	<u>-</u>	<u>-</u>	<u>52,312</u>
Total	<u>\$ 264,657</u>	<u>\$ 212,344</u>	<u>\$ -</u>	<u>\$ 52,312</u>

Investments are reported at fair value and consist of the following as of December 31, 2022:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Diversified investments	\$ 184,274	\$ 184,274	\$ -	\$ -
Beneficial interest in assets held by Community Foundation	<u>47,445</u>	<u>-</u>	<u>-</u>	<u>47,445</u>
Total	<u>\$ 231,719</u>	<u>\$ 184,274</u>	<u>\$ -</u>	<u>\$ 47,445</u>

The beneficial interest in assets held by community foundation is valued using level 3 measurements, as the Organization's interest in not redeemable. The following is a reconciliation of the Organization's investments measured using significant unobservable measurements (Level 3) for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 47,445	\$ 57,837
Distribution	(1,960)	-
Change in beneficial interest	<u>6,827</u>	<u>(10,392)</u>
Balance, end of year	<u>\$ 52,312</u>	<u>\$ 47,445</u>

RUNNIN' FOR RHETT
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 7 - PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Website	\$ 2,000	\$ -
Less accumulated depreciation	<u>167</u>	<u>-</u>
	<u>\$ 1,833</u>	<u>\$ -</u>

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to \$167 and zero, respectively.

NOTE 8 – CONCENTRATION OF REVENUE:

For the year ended December 31, 2023, approximately 26% of the total gross revenue recognized came from one fundraising event: Capitol Beer Fest.

For the year ended December 31, 2022, approximately 34% of the total gross revenue recognized came from one fundraising event: Capitol Beer Fest.

NOTE 9 – DONATED SERVICES, FACILITIES AND SUPPLIES:

During the years ended December 31, 2023 and 2022, the Organization received donated services, facilities and supplies in several areas of program and supporting operations. The values of those donations were \$453,959 and \$379,866, respectively. Those figures are included in contributed non financial assets and special event contributed nonfinancial assets in the accompanying statements of activities and changes in net assets and functional expenses, respectively.

The Organization also received donated services from a variety of unpaid volunteers assisting in leadership, committees, fundraising activities and program services. The value of the donated time is not reflected in the accompanying financial statements since it does not meet the criteria for recognition as a contribution under accounting standards generally accepted in the United States of America.

NOTE 10 – FUNCTIONALIZED EXPENSES:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Those expenses allocated on the basis of estimated time and effort includes: salaries and wages, employee benefits, payroll taxes, event expenses, insurance, postage and shipping, software and technology, telephone, and travel and meals.

RUNNIN' FOR RHETT
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 11 – PENSION PLAN:

The Organization provides a simple IRA plan for employees meeting certain eligibility requirements. The Organization's contributions to the simple IRA plan for the years ended December 31, 2023 and 2022 were \$5,246 and zero, respectively.

NOTE 12 – CONTRIBUTED NON-FINANCIAL ASSETS:

The Organization received the following contributions of nonfinancial assets for the years ending December 31:

	2023	2022
Coaching and consulting	\$ 227,353	\$ 167,543
Supplies and materials	89,304	90,502
Direct fundraising	86,537	83,056
Technology	29,887	25,600
Food	9,613	2,400
Transit	5,965	5,965
Storage	5,300	4,800
	\$ 453,959	\$ 379,866

NOTE 13 – PRIOR PERIOD ADJUSTMENT:

The Organization identified the following adjustment to be made in the prior year financial statement to record the Employee Retention Credit relating to payroll periods for the fiscal years ending December 31, 2021 and 2020.

	December 31, 2022		
	As Reported	Adjustment	As Restated
Accounts receivable	\$ 229	\$ 50,874	\$ 51,103
Net assets without donor restrictions, undesignated	225,965	50,874	276,839
Total net assets without donor restrictions	457,683	50,874	508,557
	December 31, 2021		
Total net assets without donor restrictions	\$ 531,670	\$ 50,874	\$ 582,544