

**RUNG FOUNDATION, INC.  
d/b/a RUNG FOR WOMEN**

**AUDITED FINANCIAL STATEMENTS**

**Year Ended December 31, 2022  
(With Comparative Totals for 2021)**

# **RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Rung Foundation, Inc.

We have audited the accompanying financial statements of Rung Foundation, Inc. d/b/a Rung for Women (the Foundation, a nonprofit corporation), which comprise the statement of financial position as of December 31, 2022 and the related statements of activities, functional expenses, and cash flows for the year 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 Rung Foundation, Inc. d/b/a Rung for Women as of December 31, 2022 and, and the results of its activities and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

### **Basis for Opinion**

We conducted our audit 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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 the Foundation'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 the Foundation'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 the Foundation'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.

#### **Prior Period Financial Statements and Report on Summarized Comparative Information**

The financial statements for the year ended December 31, 2021 were reviewed by us and our report thereon, dated July 26, 2022, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

The logo for UHY LLP is written in a stylized, cursive black font. The letters 'UHY' are larger and more prominent, with 'LLP' in a smaller font size to the right.

St. Louis, Missouri  
June 27, 2023

**RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2022 (With Comparative Totals for 2021)**

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
	<u>(Audited)</u>	<u>(Reviewed)</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 6,307,424	\$ 3,829,681
Unconditional promises-to-give	8,500	8,500
Grants receivable	128,930	-
Employee Retention Credit receivable	564,107	527,686
Prepaid expenses and other	<u>171,072</u>	<u>174,137</u>
Total current assets	7,180,033	4,540,004
PROPERTY AND EQUIPMENT	19,102,541	17,286,970
COLLECTIONS OF ART WORK	<u>62,370</u>	<u>62,370</u>
	<u>\$ 26,344,944</u>	<u>\$ 21,889,344</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 683,815	\$ 363,741
Accrued expenses	<u>295,192</u>	<u>189,443</u>
Total current liabilities	<u>979,007</u>	<u>553,184</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated, available for operations	6,054,763	4,026,929
Net investment in property and equipment	<u>19,102,541</u>	<u>17,286,970</u>
	25,157,304	21,313,899
With donor restrictions	<u>208,633</u>	<u>22,261</u>
Total net assets	<u>25,365,937</u>	<u>21,336,160</u>
Total liabilities and net assets	<u>\$ 26,344,944</u>	<u>\$ 21,889,344</u>

See notes to financial statements.

# RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2022 (With Comparative Totals for 2021)

	Year Ended December 31,			2021 (Reviewed)
	2022 (Audited)		Total	
	Without Donor Restrictions	With Donor Restrictions		
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions and grants				
Foundations	\$ 85,471	\$ 110,000	\$ 195,471	\$ 171,500
Individuals	8,784,784	21,420	8,806,204	151,777
Corporations	48,373	162,500	210,873	51,340
Government	-	128,930	128,930	-
Contributions of nonfinancial assets	19,777	-	19,777	-
Other	-	-	-	50,476
Employee Retention Credit grant	36,421	-	36,421	527,686
	<u>8,974,826</u>	<u>422,850</u>	<u>9,397,676</u>	952,779
Other				
Rental income	8,736	-	8,736	9,465
Net investment income (loss)	21,022	-	21,022	(17,424)
Miscellaneous income	6,404	-	6,404	17,133
	<u>9,010,988</u>	<u>422,850</u>	<u>9,433,838</u>	961,953
Net assets released from restrictions	<u>236,478</u>	<u>(236,478)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>9,247,466</u>	<u>186,372</u>	<u>9,433,838</u>	<u>961,953</u>
<b>EXPENSES</b>				
Program services	<u>3,886,061</u>	<u>-</u>	<u>3,886,061</u>	<u>3,919,584</u>
Supporting services				
Management and general	665,753	-	665,753	680,554
Fundraising	852,247	-	852,247	700,730
	<u>1,518,000</u>	<u>-</u>	<u>1,518,000</u>	<u>1,381,284</u>
Total expenses	<u>5,404,061</u>	<u>-</u>	<u>5,404,061</u>	<u>5,300,868</u>
<b>CHANGES IN NET ASSETS</b>	<b>3,843,405</b>	<b>186,372</b>	<b>4,029,777</b>	<b>(4,338,915)</b>
NET ASSETS, Beginning	<u>21,313,899</u>	<u>22,261</u>	<u>21,336,160</u>	<u>25,675,075</u>
NET ASSETS, Ending	<u>\$ 25,157,304</u>	<u>\$ 208,633</u>	<u>\$25,365,937</u>	<u>\$ 21,336,160</u>

See notes to financial statements.

**RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2022 (With Comparative Totals for 2021)**

	Year Ended December 31,				2021 (Reviewed)
	2022				
	(Audited)				
	Supporting Services				
Program Services	Management and General	Fundraising	Total		
Salaries and Benefits	\$ 1,825,589	\$ 358,401	\$ 635,080	\$ 2,819,070	\$ 2,393,386
Advertising and Marketing	98,325	14,635	31,576	144,536	60,287
Bank and Credit Card Charges	-	323	6,484	6,807	3,746
Board Expense	-	13,175	-	13,175	7,420
Conference, Training, and Certification	21,947	3,149	5,970	31,066	124,659
Collaborator Services	570,028	-	-	570,028	649,112
Community Events	39,432	4,978	-	44,410	28,543
Computer Support	153,888	14,602	20,003	188,493	135,811
Depreciation	480,459	32,391	26,992	539,842	524,927
Dues and Subscriptions	451	1,198	10,344	11,993	5,485
Equipment Rental	2,948	632	732	4,312	3,387
Food and Kitchen	27,464	1,716	5,160	34,340	51,904
Information Technology Fees	4,155	594	1,187	5,936	36,054
Insurance	39,357	17,126	4,870	61,353	52,323
Meeting, Development, and Volunteer	2,860	1,422	15,924	20,206	8,968
Miscellaneous	32	23,626	490	24,148	20,061
Occupancy	153,722	10,363	10,009	174,094	285,336
Office Supplies	18,103	2,397	8,163	28,663	28,946
Payroll Processing Fee	13,534	54,619	4,203	72,356	69,558
Printing	5,265	77	8,348	13,690	16,910
Professional Fees	108,231	98,456	37,371	244,058	427,799
Program Expenses (#)	143,606	-	7,457	151,063	200,572
Postage and Delivery	24	7	1,046	1,077	1,459
Recruiting	-	-	-	-	1,845
Repair and Maintenance	52,898	3,566	2,972	59,436	34,905
Taxes	-	-	-	-	8,060
Telephones and Internet	23,870	974	2,254	27,098	22,264
Travel	1,282	2,013	1,184	4,479	2,558
Utilities	78,814	5,313	4,428	88,555	94,583
	<u>3,866,284</u>	<u>665,753</u>	<u>852,247</u>	<u>5,384,284</u>	5,300,868
Contributed Nonfinancial Assets					
Professional Services	6,960	-	-	6,960	-
Supplies	12,817	-	-	12,817	-
Totals - 2022	<u>\$ 3,886,061</u>	<u>\$ 665,753</u>	<u>\$ 852,247</u>	<u>\$ 5,404,061</u>	
Percentages - 2022	<u>71.9</u> %	<u>12.3</u> %	<u>15.8</u> %	<u>100.0</u> %	
Totals - 2021	<u>\$ 3,919,584</u>	<u>\$ 680,554</u>	<u>\$ 700,730</u>		<u>\$ 5,300,868</u>
Percentages - 2021	<u>73.9</u> %	<u>12.9</u> %	<u>13.2</u> %		<u>100.0</u> %

(#) Program Expenses include child watch expense of \$16,335 (\$29,758 in 2021), contract services of \$11,178 (\$62,760 in 2021), training of \$1,042 (\$2,150 in 2021), supplies of \$4,046 (\$14,410 in 2021), Welcome Weekend and Member event of \$55,407 (\$78,262 in 2021), tuition assistance of \$24,789 (\$11,500 in 2021), and miscellaneous expense of \$38,265 (\$1,732 in 2021)

See notes to financial statements.

**RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN**  
**STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2022 (With Comparative Totals for 2021)

	<u>Years Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
	<u>(Audited)</u>	<u>(Reviewed)</u>
<b>OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 4,029,777	\$ (4,338,915)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	539,842	524,927
Changes in		
Unconditional promises-to-give	-	25,000
Grants receivable	(128,930)	-
Employee Retention Credit receivable	(36,421)	(527,686)
Prepaid expenses and other	3,065	60,026
Accounts payable	320,074	19,530
Accrued expenses	105,749	49,312
Net cash provided (used) by operating activities	<u>4,833,156</u>	<u>(4,187,806)</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(2,355,413)</u>	<u>(896,868)</u>
Net cash used by investing activities	<u>(2,355,413)</u>	<u>(896,868)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,477,743</b>	<b>(5,084,674)</b>
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<b><u>3,829,681</u></b>	<b><u>8,914,355</u></b>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<b><u>\$ 6,307,424</u></b>	<b><u>\$ 3,829,681</u></b>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Taxes paid	<u>\$ -</u>	<u>\$ 8,060</u>
Noncash operating and investing activities		
Acquisition of collection of art work prepaid in prior year	<u>\$ -</u>	<u>\$ 62,370</u>

See notes to financial statements.



**RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 (With Comparative Totals for and 2021)**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist in understanding Rung Foundation, Inc. d/b/a Rung for Women (Rung or the Foundation) financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

**History and Not-for-Profit Activity**

The Foundation began in 2010 as a non-profit resale boutique with a mission of empowering women on their climb to career success by providing professional attire at affordable prices. In 2015, leadership looked at the missing rungs in the economic ladder for women and decided to expand. In 2017, Rung Boutique closed its doors and was reborn as Rung for Women, a new model to leverage existing service providers in a coordinated and co-located model that empowers women to achieve sustained independence and holistic well-being. Rung for Women is a fresh approach to workforce development; a “one-stop shop” with coaching, career services, wrap-around programs in the areas of health, wellness, and financial coaching, and a community of support. Services were launched in early 2021 and over 300 women have received services.

Rung’s Mission: Rung inspires all women to climb the economic opportunity ladder.

Rung’s Vision: Women are leading equitable and abundant lives.

**Description of Program Services**

Rung for Women exists because women face systemic economic, social, and health barriers to their wealth creation. Rung empowers women to build wealth through a holistic approach that addresses wealth decelerators (health; debt; occupational segregation) and increases wealth accelerators (education, skills and training; income; financial health). The core Rung program offers career coaching, community, financial education, and skill-building that prepares women for careers where they can earn more money.

Rung recruits women to enter one of the organization’s career pathways in fast-growing fields (currently technology and geospatial). Pathways are chosen based on local industry growth projections, available entry-level positions, ability to earn a thriving wage within five years of entering the field, and ability to enter the sector without a college degree. Members (i.e., clients) begin with Career Foundations, a four-month, cohort-based program where they work with a Career Development Specialist to select a pathway, establish goals, connect to and enter a training program, update their resume, and practice interviewing skills. Members also participate in eight weeks of Professional Power Skills training. At the same time, Members build a community of support with other like-minded women ready to make a change.

Beginning in Month five, Members enter a training program in their selected career pathway and participate in Rung-led study/support groups to ensure persistence and completion of training. Rung helps connect members to employers with open positions and continues to walk with the member during their first 90 days of employment.

**RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 (With Comparative Totals for and 2021)**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Description of Program Services (Continued)**

After completing Career Foundations, members continue their development by participating in Rung's Member Success Network (MSN) for up to four years. MSN is a professional community designed for members to build powerful connections as they work toward career success, build financial acumen, and grow as leaders.

To make it more convenient for members to work toward their goals, Rung has brought several organizations under one roof that offer a variety of personal development opportunities and assistance, including:

- Counseling
- Health care
- Nutrition education
- Gardening workshops
- Fitness classes
- Yoga
- Mindfulness

Rung also offers childcare and healthy grab-and-go meals on-site to further eliminate the barriers a Member may have to realizing success.

**Financial Statement Presentation**

The Foundation's resources are classified for accounting and reporting purposes into two asset categories according to externally (donor) imposed restrictions. A description of the two net asset categories follows:

**Net Assets Without Donor Restrictions** - Includes resources available for support of program services and operations which have no donor-imposed restrictions (unrestricted). All contributions are considered to be available for unrestricted use and available unless specifically restricted by the donor.

**Net Assets With Donor Restrictions** - Represents those net assets subject to donor-imposed restrictions. Net assets in this classification are related to program restrictions. 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.

**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 may differ from those estimates.

**RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 (With Comparative Totals for and 2021)**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Comparative Totals**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

**Cash and Cash Equivalents**

Cash and cash equivalents includes cash balances available for immediate withdrawal and other short-term, highly liquid investments that are readily convertible into known amounts of cash and are exposed to insignificant risk of changes in value and are not restricted.

**Unconditional Promises-to-Give**

Unconditional promises-to-give consist of pledge donations from various corporations, foundations, and individuals. Unconditional promises-to-give are recognized as support in the period the promises are received. At December 31, 2022 and 2021, the Foundation considered all unconditional promises-to-give to be fully collectible; accordingly, no allowance for doubtful accounts was necessary.

**Grants Receivable**

Grants receivable consists primarily of amounts due to the Foundation based on conditional reimbursement grants and/or unconditional grants based on the date of grant award. Conditional grants with significant barriers are not recognized until the barriers are satisfied by the Foundation.

**Employee Retention Credit Receivable and Grant**

The Employee Retention Credit (ERC), a credit against certain payroll taxes allowed to an eligible employer for qualifying wages, was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The Foundation elected to account for the ERC in accordance with Accounting Standards 958-605, Contributions Received and Contributions Made. The ERC is considered a conditional grant, the Foundation only qualifies for the transfer of assets if it overcomes the barrier of eligibility. The Foundation met the gross-receipts test based upon significant decline in revenue. As of December 31, 2021, Foundation management believes it overcame the barrier of ERC eligibility and will receive the credit. The Foundation applied for ERC and recorded a receivable and employee retention credit grant, included in contribution and grants, of \$36,421 and \$527,686 for the year ended December 31, 2022 and 2021, respectively.

Laws and regulations concerning government programs, including the ERC established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Foundation's claim to the ERC, and it is not possible to determine the impact, if any, this would have upon the Foundation.

# RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN

## NOTES TO FINANCIAL STATEMENTS

December 31, 2022 (With Comparative Totals for and 2021)

### NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Prepaid Expenses and Other

Prepaid expenses and other consist primarily of prepaid service contracts, insurance premiums, and deposits on purchase of computer supplies.

#### Property and Equipment

Purchased property and equipment is stated at cost less accumulated depreciation. Donated property and equipment is recorded at the estimated fair value at the time of donation. Depreciation of property and equipment is provided on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building and building improvements	10 - 40
Land improvements	20
Equipment, furniture and fixtures	5 -10

Construction in progress, including land and buildings, relates to the construction of the expansion of the Foundation's headquarters. These assets are not being depreciated since they are not completed or placed in service.

#### Asset Impairment Assessments

The Foundation reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is recognized to the extent that the sum of undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is recognized, the carrying value of the impaired asset is reduced to its fair value. There was no impairment at December 31, 2022 and 2021.

#### Collection of Art Work

Collection items are recorded at cost if purchased and at fair value at date of accession if donated. Gains and losses from deaccession are reported as changes in net assets based on the absence or existence and nature of donor-imposed restrictions. Collection items are protected, kept unencumbered, cared for and preserved.

#### Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Foundation reports gifts of cash, grants and other assets as restricted 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. Donor restricted contributions and grants are recorded in the net assets with donor restrictions class for restrictions expiring during the fiscal year, and then transferred to the net assets without restrictions class.

**RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 (With Comparative Totals for and 2021)**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition (Continued)**

The Foundation's grants revenue stream is considered contribution revenue. Contribution and grant revenues are either recognized upon receipt if there are no conditions or recognized as conditions are satisfied.

**Revenue Recognition for Contracts With Customers**

Other revenues consist of meal purchase and rental income. The Foundation recognizes revenue at the point in time when services are rendered to the customer.

**Contribution of Nonfinancial Assets**

The Foundation periodically receives in-kind contributions of time and pro-bono services from members of the community, Board members and volunteers. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The value of the donation is recorded as contribution revenue in the period received. The following donations are reflected as contributions of nonfinancial assets with no associated donor restriction in the accompanying statement of activities for the year ended December 31, 2022:

	Valuation Techniques And Inputs	Total
Professional Services	Contributed professional services are valued at estimated fair value based on current rates for similar services	\$ 6,960
Supplies	The Foundation estimated the fair value on the basis of current prices for similar items on publicly available websites.	<u>12,817</u>
		<u>\$ 19,777</u>

Contribution of nonfinancial asset and their use in programs and other activities for the year ended December 31, 2022 are as follow:

	Program Services	General & Administrative	Fundraising	Total
Professional Services	\$ 6,960	\$ -	\$ -	\$ 6,960
Supplies	<u>12,817</u>	<u>-</u>	<u>-</u>	<u>12,817</u>
	<u>\$ 19,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,777</u>

**RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 (With Comparative Totals for and 2021)**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Functional Allocation of Expenses**

Functional expenses have been allocated between program services and supporting services based on an analysis of employee time spent and space utilized for the related activities. In addition, certain costs have been directly allocated among the program and supporting services benefited.

**Advertising Costs**

Advertising costs are charged to operations when incurred and totaled \$144,536 and \$60,287 for the years ended December 31, 2022 and 2021, respectively.

**Concentration of Credit Risk**

Financial instruments, which potentially subject the Foundation to concentration of credit risk, consist principally of cash and cash equivalents. The Foundation places its cash and cash equivalents with high credit quality financial institutions. At times, such cash and cash equivalents may be in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. Management has deemed this as a normal business risk.

**Income Taxes**

The Foundation is a not-for-profit Foundation as described in Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation is exempt from federal income taxes and classified as a private foundation under Section 501 of the IRC. The Foundation is subject to a 1.39 percent federal excise tax on net investment income, including realized gains, as defined by the Internal Revenue Code.

**Recently Adopted Accounting Standard**

In 2022, Rung adopted Accounting Standards Update (ASU) 2020-07, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard requires presentation of contributed nonfinancial assets as a separate line item in the statement of activities and increases the disclosure requirements. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

**Subsequent Events**

The Foundation has performed a review of events subsequent to the statement of financial position date through June 27, 2023, the date the financial statements were available to be issued.

**RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 (With Comparative Totals for and 2021)**

**NOTE 2 — LIQUIDITY AND AVAILABILITY**

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

	December 31,	
	2022	2021
Cash and Cash Equivalents		
Checking	\$ 704,986	\$ 865,237
Investments – Money Market Fund	<u>5,602,438</u>	<u>2,964,444</u>
	6,307,424	3,829,681
Grants Receivable	128,930	-
Employee Retention Credit Receivable	<u>564,107</u>	<u>527,686</u>
	<u>\$ 7,000,461</u>	<u>\$ 4,357,367</u>

The Foundation regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

**NOTE 3 — PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	December 31,	
	2022	2021
Land	\$ 1,389,713	\$ 1,389,713
Land Improvements	1,216,103	1,216,103
Building and Building Improvements	14,663,512	14,605,874
Equipment, Furniture and Fixtures	318,847	310,386
Construction in Progress	<u>2,801,380</u>	<u>512,066</u>
	20,389,555	18,034,142
Less Accumulated Depreciation	<u>1,287,014</u>	<u>747,172</u>
	<u>\$ 19,102,541</u>	<u>\$ 17,286,970</u>

**NOTE 4 — NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist primarily of donations for restricted purposes. Net assets with donor restrictions for program were \$208,633 and \$22,261 as of December 31, 2022 and 2021, respectively.

Net assets released from donor restrictions were \$236,478 and \$-0- for the years ended December 31, 2022 and 2021, respectively.

**RUNG FOUNDATION, INC. d/b/a RUNG FOR WOMEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 (With Comparative Totals for and 2021)**

**NOTE 5 — CONTRACTUAL ARRANGEMENT**

The Foundation contracts with various service providers called Co-Designers to provide various program services including physical health, therapy, personal coaching, financial training, fitness, and nutrition trainings. The contracts generally are one-year term and the Foundation reimburses Co-Designers based on actual expenses up to the approved budget in the agreements.

**NOTE 6 — NEIGHBORHOOD ASSISTANCE PROGRAM (NAP)**

The Foundation receives restricted donations that are associated with the Neighborhood Assistance Tax Credit Program of the State of Missouri. This program is subject to certain restrictions and compliance as required by the State of Missouri's Department of Economic Development. NAP donations were \$58,920 and \$13,761 during the years ended December 31, 2022 and 2021, respectively.

**NOTE 7 — RELATED PARTY TRANSACTIONS**

Members of the Board of Directors contributed \$8,482,573 and \$15,600 for the years ended December 31, 2022 and 2021, respectively. These amounts are included in contributions and grants on the accompanying statement of activities.

There were no unconditional promises-to-give from these related parties at December 31, 2022 and 2021, respectively.

**NOTE 8 — CONCENTRATIONS**

The Foundation received 90% of contributions from one donor during 2022 and 35% from two donors/grantors during 2021. There were no outstanding receivable balances on these contributions.

**NOTE 9 – CONDITIONAL GRANT**

In April 2022, the Foundation entered in a conditional gift agreement with its Founder and Board Chair (Donor), where the Donor intends to give a percentage of the Foundation's annual budget over the next seven years.

**NOTE 10 - COMMITMENTS**

The Foundation is expanding its headquarters building with an estimated project cost of \$8 - \$10 million. The expansion includes approximately 17,000 square feet of new space and will function as a flexible meeting space. Construction began in Fall 2022 and the Foundation signed a construction agreement in February 2022 with construction manager, BSI Constructors, Inc., with an estimated construction cost budget of \$6.7 million. Management estimates the remaining commitment on this construction project is approximately \$8.5 million.