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**RIGHTFIT, INC.**  
FINANCIAL STATEMENTS  
Together with Independent Auditors' Report  
JUNE 30, 2019 AND 2018

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GREENWALT<sup>CPAs</sup>

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Greenwalt CPAs, Inc.  
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Indianapolis, IN 46224  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
RightFit, Inc.:

We have audited the accompanying financial statements of RightFit, Inc. (an Indiana not-for-profit corporation), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and functional expenses and cash flows 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 RightFit, Inc., as of June 30, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

*Greenwalt CPAs, Inc.*

December 6, 2019

RIGHTFIT, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2019 AND 2018

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	<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>			
Cash		\$ 42,420	\$ 106,161
<b>TOTAL ASSETS</b>		<u>\$ 42,420</u>	<u>\$ 106,161</u>
 <u>LIABILITIES AND NET ASSETS</u>  			
<b>LIABILITIES</b>			
Accounts payable		\$ 2,039	\$ 23,000
<i>Total liabilities</i>		<u>2,039</u>	<u>23,000</u>
<b>NET ASSETS</b>			
Without donor restrictions		<u>40,381</u>	<u>83,161</u>
<i>Total net assets</i>		<u>40,381</u>	<u>83,161</u>
<i>Total liabilities and net assets</i>		<u>\$ 42,420</u>	<u>\$ 106,161</u>

**RIGHTFIT, INC.**

STATEMENTS OF ACTIVITIES AND FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>WITHOUT DONOR RESTRICTION</u>	
	<u>2019</u>	<u>2018</u>
<b>REVENUE AND SUPPORT</b>		
Corporate and foundation contributions	\$ 132,417	\$ 151,350
Individual contributions	5,655	16,000
In-kind contributions	2,000	6,500
	<hr/>	<hr/>
<i>Total revenue and support</i>	140,072	173,850
	<hr/>	<hr/>
<b>EXPENSES</b>		
Program		
Subcontractors	131,250	47,586
Supplies	6,001	8,500
	<hr/>	<hr/>
<i>Total program expense</i>	137,251	56,086
	<hr/>	<hr/>
Management and general		
Bank charges	20	-
Due and subscriptions	-	225
Insurance - liability	7,560	7,601
Meals and entertainment	691	2,000
Professional fees	7,773	5,500
Administrative expenditures	3,039	440
Subcontractors	19,000	43,000
Marketing and branding	168	-
	<hr/>	<hr/>
<i>Total management and general</i>	38,251	58,766
	<hr/>	<hr/>
Fundraising		
Promotional	7,350	-
	<hr/>	<hr/>
<i>Total fundraising</i>	7,350	-
	<hr/>	<hr/>
<i>Total expenses</i>	182,852	114,852
	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	(42,780)	58,998
<b>NET ASSETS, BEGINNING OF YEAR</b>	<hr/>	<hr/>
	83,161	24,163
	<hr/>	<hr/>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 40,381</u>	<u>\$ 83,161</u>

RIGHTFIT, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

Page 1 of 2

CHANGE IN CASH

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants and contributions	\$ 142,072	\$ 180,350
Cash paid to vendors and suppliers	<u>(205,813)</u>	<u>(138,852)</u>
<i>Net cash provided by (used in) operating activities</i>	<u>(63,741)</u>	<u>41,498</u>
<b>CHANGE IN CASH</b>	(63,741)	41,498
<b>CASH, BEGINNING OF YEAR</b>	<u>106,161</u>	<u>64,663</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 42,420</u></u>	<u><u>\$ 106,161</u></u>
<b>NON-CASH ACTIVITY</b>		
In-kind contributions	<u><u>\$ 2,000</u></u>	<u><u>\$ 6,500</u></u>

RIGHTFIT, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2018

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RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH  
PROVIDED BY (USED IN) OPERATING ACTIVITIES

	<u>2019</u>	<u>2018</u>
CHANGE IN NET ASSETS	<u>\$ (42,780)</u>	<u>\$ 58,998</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
<i>Decrease in operating liabilities:</i>		
Accounts payable	<u>(20,961)</u>	<u>(17,500)</u>
<i>Total adjustments</i>	<u>(20,961)</u>	<u>(17,500)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ (63,741)</u></u>	<u><u>\$ 41,498</u></u>

# RIGHTFIT, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### NATURE OF OPERATIONS

RightFit, Inc. was incorporated on September 23, 2016. RightFit is a coalition of students, parents, educators, public safety personnel and committed volunteers who choose to work together to enhance a safer and healthier community. This is achieved by supporting an after-school program that encourages academic growth, fun physical activity, a nutritious meal which is all provided in an environment of courtesy and respect. RightFit strives to stabilize communities, enhance academic participation and achievement, improve the health of all coalition members, identify education and career options and create an atmosphere of cooperation across the community.

Participants in the RightFit program meet after school three days per week and follow a schedule of homework, physical activity and dinner. RightFit positively impacts an average of approximately 500 students throughout the program each year.

#### BASIS OF ACCOUNTING AND USE OF ESTIMATES

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

#### CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash consists of the checking account. There were no cash equivalents at June 30, 2019 and 2018.

#### CONTRIBUTIONS

Contributions are recognized when the donor makes an unconditional promise to give to RightFit and are recorded at their fair values as revenues and assets in the period promised. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

#### NET ASSETS

As required by Accounting Standards for the Presentation of Financial Statements of Not-For-Profit Organizations, RightFit is required to report information regarding the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as with and without donor restrictions.

#### Without Donor Restrictions

These include revenue and expenses from the regular operations of RightFit, which are at the discretion of management and the Board of Directors.

#### With Donor Restrictions

These include contributions with specified donor restrictions. At June 30, 2019 and 2018, RightFit did not have any net assets with donor restrictions.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

EXPENSE ALLOCATION

Expenses have been classified as program, management and general and fundraising based on the actual direct expenditures and cost allocation based on estimates of time usage by RightFit personnel and programs.

TAX STATUS

RightFit is a not-for-profit organization, exempt from federal and state income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code, and is not considered to be a private foundation as defined by Section 509(a) of the Internal Revenue Code.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through December 6, 2019, which is the date the financial statements were available to be issued.

NEW ACCOUNTING PRONOUNCEMENT

RightFit has adopted ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended June 30, 2019. The update addressed the complexity and understandability of net asset classification by reducing the three categories of unrestricted, temporarily restricted, and permanently restricted to two, net assets with and without donor restrictions. In addition, the update requires a new disclosure regarding availability of resources and liquidity. RightFit has adjusted the presentation of these statements accordingly. With the exception of Note 2, the update has been applied retrospectively to all periods presented, but had no impact on total net assets as of June 30, 2018.

2. **AVAILABLE RESOURCES AND LIQUIDITY**

RightFit strives to maintain sufficient operating cash to cover annual expenditures. RightFit receives contributions without donor restrictions including contributions from individuals and other organizations.

The following table reflects RightFit's financial assets as of June 30, 2019:

Financial assets at year-end:	
Cash	\$ <u>42,420</u>
Total financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>42,420</u></u>

3. **IN-KIND CONTRIBUTIONS**

RightFit received in-kind contributions of \$2,000 and \$6,500 during the years ended June 30, 2019 and 2018. During 2019 and 2018, in-kind contributions consisted of supplies for family dinners. These amounts have been treated as non-cash transactions and have been excluded from the statements of cash flows.