

RIGHT MOVES FOR YOUTH, INC.

FINANCIAL STATEMENTS
JUNE 30, 2021

RIGHT MOVES FOR YOUTH, INC.

Table of Contents

June 30, 2021

	Page
Independent Auditors' Report	1
Audited Financial Statements:	
Statement of Financial Position.....	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows.....	5
Notes to Financial Statements	6-11

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Right Moves for Youth, Inc.
Charlotte, North Carolina

We have audited the accompanying financial statements of Right Moves for Youth, Inc. (the "Organization" - a nonprofit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 of 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 in the first paragraph present fairly, in all material respects, the financial position of Right Moves for Youth, Inc., as of June 30, 2021, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and our report dated September 21, 2020, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

C. Dewitt Foard & Company, P.A.
September 21, 2021

RIGHT MOVES FOR YOUTH, INC.**Statement of Financial Position****June 30, 2021, with prior year comparative totals**

	June 30,	
	2021	2020
<u>ASSETS</u>		
Cash	\$ 760,647	\$ 588,106
Grants receivable	9,004	66,250
Prepaid expenses	5,871	5,871
Rental deposit	2,400	2,400
Property and Equipment:		
Equipment	9,861	9,861
Furniture and fixtures	25,568	25,568
Less - accumulated depreciation	(31,340)	(30,522)
<u>TOTAL ASSETS</u>	\$ 782,011	\$ 667,534
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 3,429	\$ 6,698
Payroll liabilities	11,186	4,641
<u>Total Liabilities</u>	14,615	11,339
Net Assets:		
Without donor restrictions	767,396	599,945
With donor restrictions	-	56,250
<u>Total Net Assets</u>	767,396	656,195
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 782,011	\$ 667,534

RIGHT MOVES FOR YOUTH, INC.**Statement of Activities****Year Ended June 30, 2021, with prior year comparative totals**

	Year ended June 30, 2021			Prior Year Comparative Totals
	Without Donor Restrictions	With Donor Restrictions	TOTALS	
<u>SUPPORT AND REVENUE</u>				
Grants	\$ 327,788	\$ -	\$ 327,788	\$ 212,180
Contributions	403,132	-	403,132	332,641
Special events (net of \$11,541 direct benefit)	47,056	-	47,056	73,070
Other income	1,571	-	1,571	114
Net assets released from restrictions:				
Restrictions satisfied by time	56,250	(56,250)	-	-
<u>Total Support and Revenue</u>	835,797	(56,250)	779,547	618,005
<u>EXPENSES</u>				
Program services	428,059	-	428,059	483,902
Management and general	116,539	-	116,539	95,391
Fundraising	123,748	-	123,748	129,375
<u>Total Expenses</u>	668,346	-	668,346	708,668
CHANGE IN NET ASSETS	167,451	(56,250)	111,201	(90,663)
NET ASSETS, BEGINNING	599,945	56,250	656,195	746,858
NET ASSETS, ENDING	\$ 767,396	\$ -	\$ 767,396	\$ 656,195

RIGHT MOVES FOR YOUTH, INC.**Statement of Functional Expenses****Year Ended June 30, 2021, with prior year comparative totals**

	Year ended June 30, 2021				Prior Year Comparative Totals
	Program Services	Management and General	Fundraising	TOTALS	
<u>PERSONNEL</u>					
Salaries	\$ 266,336	\$ 75,651	\$ 65,531	\$ 407,518	\$ 444,202
Payroll taxes	19,846	5,637	4,883	30,366	32,611
Benefits	18,979	5,391	4,670	29,040	33,329
Total	305,161	86,679	75,084	466,924	510,142
<u>OTHER EXPENSES</u>					
Club funding	47,786	-	-	47,786	44,690
Insurance	11,582	3,283	229	15,094	12,161
Events	-	-	11,540	11,540	72,945
Rent	26,831	5,366	3,578	35,775	29,551
Telecommunications	3,378	676	450	4,504	4,720
Contracted services	998	10,870	246	12,114	10,681
Technology	15,537	3,107	2,072	20,716	19,701
Training and personnel costs	2,413	216	151	2,780	4,299
Development	-	-	32,557	32,557	14,173
Meetings	6,843	1,369	5,474	13,686	-
Other costs	1,605	1,612	490	3,707	2,647
Travel	1,457	-	-	1,457	4,305
Office supplies	3,855	3,238	921	8,014	7,207
Depreciation	613	123	82	818	3,264
Marketing	-	-	2,415	2,415	2,562
Total	122,898	29,860	60,205	212,963	232,906
TOTAL EXPENSES	428,059	116,539	135,289	679,887	743,048
Less - Special Events Costs Deducted from Revenue	-	-	11,541	11,541	34,380
TOTAL EXPENSES	\$ 428,059	\$ 116,539	\$ 123,748	\$ 668,346	\$ 708,668

RIGHT MOVES FOR YOUTH, INC.**Statement of Cash Flows****Year Ended June 30, 2021, with prior year comparative totals**

	June 30,	
	2021	2020
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ 111,201	\$ (90,663)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation expense	818	3,264
(Increase) decrease in operating assets:		
Receivables	57,246	102,500
Prepaid expenses	-	(485)
Increase (decrease) in operating liabilities:		
Accounts payable	(3,269)	692
Payroll liabilities	6,545	(5,664)
<u>Cash Flows From Operating Activities</u>	<u>172,541</u>	<u>9,644</u>
NET CHANGE IN CASH	172,541	9,644
CASH, BEGINNING	588,106	578,462
CASH, ENDING	\$ 760,647	\$ 588,106

RIGHT MOVES FOR YOUTH, INC.

Notes to Financial Statements

June 30, 2021

NOTE A - NATURE OF OPERATIONS

Organization

Right Moves for Youth, Inc., (the “Organization”) was organized in 1989 and established as a not-for-profit corporation under the laws of North Carolina in 1993. The Organization serves more than 1,500 youth, ages 12-18 years in middle and high schools and operates at 29 Charlotte Mecklenburg School sites located throughout Mecklenburg County.

Funding

The Organization is funded by voluntary contributions from individuals, corporations, foundations, grants, faith-based organizations, and special events.

Income tax status

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation as defined by Section 509(a) of the Internal Revenue Code.

NOTE B - PROGRAMS

Purpose

The Organization is a school-based, student support and youth development prevention program that collaborates with Charlotte Mecklenburg Schools, the Charlotte Mecklenburg Police Department, the Mecklenburg County Sheriff’s Office and other community partners to help students in middle and high schools understand the importance of graduating and the impact that having a high school diploma can have on their lives.

The mission of the Organization is to provide the resources and guidance to help under-served youth in grades 6-12 graduate high school with a plan for their future success. The core program provides group mentoring for teens based on a group counseling model and focuses on: high school graduation; social-emotional well-being; career development; and personal leadership and civic duty. Through group mentoring and student support, the Organization supports the holistic health and social uplift of young people.

Students enrolled in the Organization’s program are held accountable by adult mentors and peers for their academic performance as they re-engage the educational process by developing coping skills to deal with circumstances that may otherwise impede their progress. Staff and volunteers work with the students to help them learn and practice new skills, give and receive peer support, develop positive relationships with adult mentors, and find new meaning in succeeding in school and graduating. By offering increased support to academically and economically challenged adolescents, the likelihood of high school completion and successful transition into adulthood is improved. The Organization therefore contributes to the increase in graduation rates, decrease of delinquency, and promotion of civic engagement.

RIGHT MOVES FOR YOUTH, INC.

Notes to Financial Statements

June 30, 2021

School-Based Groups

The Organization provides school-based, group mentoring services to support the positive development and educational attainment of urban youth. Currently serving some of the most challenged Charlotte Mecklenburg Schools (CMS) middle/high school sites, the program promotes the positive development of young people in grades 6-12. The majority of these school sites are Title 1, with the others serving students from economically distressed neighborhoods. The weekly groups help students come to school, do the right things, strengthen social skills, and get ready for college and the workforce. Students grow together and build positive relationships to excel academically, socially and emotionally. Students are referred to the Organization's groups by school counselors, social workers or administrators to help them develop more positive attitudes, modify behavior, and transfer learned skills to everyday life. The Organization uses a structured curriculum, and research - practice - intervention specifically designed for middle and high school students. This curriculum assists students in planning for the future and learning life skills. The curriculum is an important component of the Organization program's success. The Organization provides weekly, school-based groups through a program specialist trained in group facilitation. In this role, the program specialist serves as a group facilitator, onsite volunteer support, and student support/intervention team person for each of their partner schools. Each Program Specialist serves 4-5 school sites, facilitating 10-12 groups each week. RMFY now has an extension of its core group mentoring program: Support to Utilize College & Career Exposure, Exploration, and Development (SUCCEED). This programmatic extension addresses the increasing skills gap by helping youth cultivate academic, technical, and employability skills. SUCCEED follows the same weekly, group mentoring structure specifically for 12th grade RMFY groups, and also includes a few bridge activities (e.g., college and workplace tours, career fairs, guest speakers) for 11th grade RMFY students. Due to remote learning opportunities for CMS students, RMFY services are delivered both in-person and virtually.

The Organization's core service delivery is group mentoring based on a group counseling model.

Research has found that group delivery of services can be more powerful than individual counseling because it provides context for skill utilization, reduces problems, and increases competencies. Groups provide context in which people realize that they are not isolated or hopeless, and that they can create a different life and gain a sense of community! Each of the Organization's group is supported by the following: an educator; a resource officer; a community volunteer and one of the Organization's staff members (Program Specialist). Groups meet at least once a week, for a minimum of 1 hour. Program Specialists follow the age-appropriate standardized curriculum that has been established with a focus on life skills and personal development. During group meetings, students participate in interpersonal and intrapersonal activities, group discussion, career exploration, service learning and/or community engagement through the curriculum. Students have the opportunity to express themselves, gain new skills, self-reflect, and track their own progress. Through this interaction, students find personal significance in graduation, and create a meaningful plan for post-graduation success.

RIGHT MOVES FOR YOUTH, INC.

Notes to Financial Statements

June 30, 2021

All groups participate in service learning projects with a minimum requirement of one per semester. Students enrolled in the Organization are evaluated in the following areas in order to assess their progress (or need for additional support); behavior; school attendance; academic performance; and group participation. Evaluations are used to help make decisions in collaboration with the students, teachers, etc. about that student's particular plan and goal-setting. Evaluations are also used to help determine the level of incentivizing in which students can engage.

Other programs

The Organization develops and works with a variety of community partners to create programming that focuses on increasing academic achievement, reducing risky behaviors, and promoting positive ones. The programs promote positive youth development and enhance each individual youth's academic accomplishments, leadership ability, life-skills awareness, self-esteem, civic responsibility, and cultural awareness. Beyond their weekly group meetings and the Right Moves For Youth curriculum, the Organization offers an array of innovative programs such as: *RMFY Ambassadors Youth Leadership Program*, *March Madness Experience*, and college and workplace tours. Through partnerships and individual donations, the Organization is able to provide complimentary tickets to events such as Carolina Panthers and Hornets games and trips to cultural outings.

Finally, each year in May, the Organization rewards its group participants who have exhibited the most social and emotional growth and positive behaviors by hosting an annual year-end awards ceremony.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets without donor restrictions can be both undesignated and designated in nature. Undesignated net assets without donor restrictions are those currently available for use in the day-to-day operation of the Organization and those resources invested in fixed assets. From time to time, the Board of Directors may designate certain amounts to be utilized or invested to meet specific objectives of the Organization. Such amounts, if any, are reflected as designated net assets without donor restrictions in the accompanying statement of financial position.

Net assets with donor restrictions – Net assets with donor restrictions are comprised of amounts that may be temporary in nature, which are subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time, and net assets that are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. During the year, the Organization had no net assets with stipulations that they be maintained in perpetuity.

RIGHT MOVES FOR YOUTH, INC.

Notes to Financial Statements

June 30, 2021

Revenue recognition

The Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2014-09, "*Revenue from Contracts with Customers*" (ASU 2014-09), for the year ending June 30, 2021. The core principle of this standard is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Contributions, including unconditional promises to give, are recognized as revenue in the period 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. Contributions of cash and other assets are considered to be available for undesignated use unless specifically restricted by the donor. Amounts received that are restricted for future periods, or are restricted by the donor for specific purposes, are reported as net assets with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the 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. Amounts received whose restrictions are met within the same accounting period, are recorded as net assets without donor restrictions.

Grants receivable

Grants receivable are presented at net realizable value. Management's assessment of the collectability of receivables is based on a review of individual accounts, historical experience, and current economic conditions. Based on the underlying nature of the receivables at June 30, 2021, no allowance for doubtful accounts was recorded.

Property and equipment

Fixed assets exceeding \$2,500, are recorded at cost if purchased or fair market value if donated. Costs that improve or extend the useful lives of assets are capitalized. Amounts paid for maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which vary from three to ten years.

Website and database costs

Costs incurred to maintain the Organization's website and database are expensed as incurred.

Donated services and goods

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated equipment or materials, if significant, are included in support at fair value. Donated materials and services are recognized as income, with a like amount in expense, in the accompanying financial statements. For the year ended June 30, 2021, the Organization did not received any donated services or good.

RIGHT MOVES FOR YOUTH, INC.

Notes to Financial Statements

June 30, 2021

In addition, many individuals volunteer their time and perform a variety of tasks that assist Right Moves for Youth, Inc., with specific assistance programs and various assignments. No amounts have been reflected in the financial statements for these contributions, as they do not meet the criteria for recognition described above.

Functional allocation of expenses

Expenses that are inherently program, management and general, or fundraising, are charged directly to those functions. Rent costs are allocated based on the estimated square footage utilized by that function. Expenses related to the building are allocated the same as rent costs. All other expenses are allocated to program services, management and general, and fundraising based on management's estimates of time spent.

Prior-year comparative totals

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Organization's 2020 financial statements, from which the summarized information was derived. Certain prior-year amounts have been reclassified to conform to the current-year presentation.

Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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 support, revenues, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE D – PAYCHECK PROTECTION PROGRAM

In order to mitigate the effect of the COVID-19 pandemic, the Organization received a Paycheck Protection Program "PPP" loan for \$94,997 from the Small Business Administration "SBA" during the year. Since the amount was fully utilized during the year, it is recorded as grant revenue in the accompanying statement of activities. The Organization intends to apply for forgiveness in full shortly after year-end.

NOTE E - CONCENTRATIONS OF RISK

Cash in excess of insured limits

Cash held in bank accounts is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The total cash held by the Organization at June 30, 2021, includes \$130,314 in excess of insured limits covered by FDIC.

Geographic area

The Organization operates in a limited geographic area and is therefore sensitive to changes in the local economy.

RIGHT MOVES FOR YOUTH, INC.

Notes to Financial Statements

June 30, 2021

NOTE F - RETIREMENT PLAN

The Organization participates in a SIMPLE-IRA Plan maintained by Fidelity Investments. All employees are eligible to participate in the Plan upon the later of the Plan's effective date or the employee's date of hire. The Organization matches the employee's elective deferral on a dollar-for-dollar basis but not more than 3% of the employee's compensation. The amount paid by the Organization during the year was \$7,011.

NOTE G - LEASE COMMITMENTS

Operating lease

The Organization leases office space. The lease expense for the year ended June 30, 2021, was \$35,775. Minimum future rental payments under the lease are as follows:

Year Ending June 30:	
2022	\$ 6,697
2023	20,061
2024	22,579
2025	23,258
2026 and thereafter	28,522
	<hr/>
	\$ 101,117
	<hr/>

NOTE H - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$769,651 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$760,647 and grants receivable of \$9,004, which are expected to be collected during the year. Of these amounts, no amounts are subject to donor restrictions. The Organization has a policy to structure its financial assets to be available as its general liabilities and other obligations come due.

NOTE I - UNCERTAINTIES

The COVID-19 pandemic has resulted in major changes in the local economy. At this point, the full impact of this pandemic on the Organization is unknown, but management believes that it could negatively impact its support and revenue for the foreseeable future.

NOTE J - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the audit report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.