

**BRIGHTPOINT FOR CHILDREN, INC.  
AUDITED FINANCIAL STATEMENTS**

**December 31, 2014**

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To the Board of Directors  
BrightPoint for Children, Inc.  
Marietta, GA

Independent Auditor's Report

We have audited the accompanying financial statements of BrightPoint for Children, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BrightPoint for Children, Inc. as of December 31, 2014 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.

*The Lewis CPA Firm Inc*

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August 13, 2015

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**BRIGHTPOINT FOR CHILDREN, INC**  
**STATEMENT OF FINANCIAL POSITION**

*December 31,*

**2014**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$241,617
Investments, at fair market value	99,673
Unconditional promises to give	2,116
<b>TOTAL CURRENT ASSETS</b>	<b>343,406</b>
<b>FIXED ASSETS</b>	
Transportation equipment	8,119
Allowance for depreciation	(8,119)
<b>TOTAL FIXED ASSETS</b>	<b>-</b>
<b>OTHER ASSETS</b>	
Deposit	230
Intangibles, net of amortization	7,685
<b>TOTAL OTHER ASSETS</b>	<b>7,915</b>
<b>TOTAL ASSETS</b>	<b>\$351,321</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$557
Credit cards payable	1,322
Agency transactions payable	98,608
<b>TOTAL CURRENT LIABILITIES</b>	<b>100,487</b>
<b>NET ASSETS</b>	
Unrestricted net assets	247,491
Temporarily restricted	3,343
<b>TOTAL NET ASSETS</b>	<b>250,834</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$351,321</b>

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

**BRIGHTPOINT FOR CHILDREN, INC.**  
**STATEMENT OF ACTIVITIES**

*For the year ended December 31,*

**2014**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND OTHER REVENUE</b>			
Contributions and grants	\$78,089	\$133,049	\$211,138
Sponsorship services	126,770		126,770
	<b>204,859</b>	<b>133,049</b>	<b>337,908</b>
Investment returns			
Interest and dividends	8,414		8,414
Realized gains (losses)	(6,170)		(6,170)
Unrealized gains (losses)	1,565		1,565
	<b>3,809</b>	-	<b>3,809</b>
Net assets released from restrictions --			
Restrictions satisfied by payments	134,840	(134,840)	-
<b>TOTAL SUPPORT AND OTHER REVENUE</b>	<b>343,508</b>	<b>(1,791)</b>	<b>341,717</b>
<b>EXPENSES</b>			
<b>Program Services</b>			
BrightPoint Children's Homes	149,250		149,250
Sponsorship services	125,645		125,645
FIFTEEN Leadersip Program	34,796		34,796
<b>Total Program Services</b>	<b>309,691</b>	-	<b>309,691</b>
<b>Supporting Services</b>			
General and administrative	14,996		14,996
Fundraising	5,508		5,508
<b>Total Supporting Services</b>	<b>20,504</b>		<b>20,504</b>
<b>TOTAL EXPENSES</b>	<b>330,195</b>		<b>330,195</b>
<b>CHANGE IN NET ASSETS</b>	<b>13,313</b>	<b>(1,791)</b>	<b>11,522</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>234,178</b>	<b>5,134</b>	<b>239,312</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$247,491</b>	<b>\$3,343</b>	<b>\$250,834</b>

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

**BRIGHTPOINT FOR CHILDREN, INC.  
STATEMENT OF FUNCTIONAL EXPENSES**

*For the year ended December 31,*

2014

	Sponsorship Services	BrightPoint Children's Homes	FIFTEEN Leadership	Total Program Services	General and Administrative	Fundraising	Total
<b>EXPENSES</b>							
Salaries, payroll taxes, and fringe benefits	\$78,659	\$50,863		\$129,522	\$8,670	\$4,690	\$142,882
Grants and assistance programs		78,693	\$1,212	79,905			79,905
Professional services	20,625	1,614	25,639	47,878	599		48,477
Occupancy	8,612	5,569		14,181	991	493	15,665
Information technology	5,270	5,270		10,540			10,540
Office expenses	4,847	3,674	835	9,356	654	325	10,335
Leadership programs and other meetings	111	112	6,760	6,983			6,983
Marketing and promotions	3,110	3,110		6,220			6,220
Travel	3,574	280	350	4,204			4,204
Insurance					4,082		4,082
Depreciation	837	65		902			902
<b>TOTAL EXPENSES</b>	<b>\$125,645</b>	<b>\$149,250</b>	<b>\$34,796</b>	<b>\$309,691</b>	<b>\$14,996</b>	<b>\$5,508</b>	<b>\$330,195</b>

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

**BRIGHTPOINT FOR CHILDREN, INC.**  
**STATEMENT OF CASH FLOWS**

*For the year ended December 31,*

**2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$11,522
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Donated Securities	(10,450)
Realized (gains)/losses on investments	6,170
Unrealized (gains)/losses on investments	(1,566)
Depreciation and amortization	902
(Increase) decrease in:	
Unconditional promises to give	(2,116)
Increase (decrease) in:	
Accounts payable	(7,771)
Credit cards payable	1,121
Agency transactions payable	(43,403)

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**NET CASH PROVIDED BY (USED IN)  
OPERATING ACTIVITIES** **(45,591)**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of intangibles	(7,685)
Proceeds from sale of investments	100,493
Purchases of investments	(7,028)

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**NET CASH PROVIDED BY (USED IN)  
INVESTING ACTIVITIES** **85,780**

**NET INCREASE (DECREASE) IN CASH  
AND CASH EQUIVALENTS** **40,189**

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**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** **201,428**

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**CASH AND CASH EQUIVALENTS, END OF YEAR** **\$241,617**

**NON CASH INVESTING ACTIVITIES**

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Donated securities increased investments. **\$10,450**

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

**BRIGHTPOINT FOR CHILDREN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

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**NOTE A – NATURE OF ACTIVITIES**

BrightPoint for Children, Inc. (BrightPoint) is a Christ-centered, child sponsorship organization through which sponsors can provide for the basic needs and education of impoverished and at risk children wherever they may live. BrightPoint was incorporated under the laws of Georgia in 2007 and is located in Marietta, Georgia. Substantially supported through contributions and sponsorship services revenue, program activities include:

**Sponsorship Services** – BrightPoint serves 16 nonprofit partners across 11 countries through a memorandum of understanding. Sponsorship services provide the needed infrastructure and systems for managing sponsorship programs, including sponsorship accounting and communications between sponsors and children.

**BrightPoint Children’s Homes** – This program addresses the most significant barriers to a child receiving their education. Programs are customized to meet the specific needs of groups of children. Our sponsorships help impoverished children: receive needed food, clothing, shelter, health care and adult care; attend school and receive a quality education; and graduate with a secondary school education.

**FIFTEEN Leadership Program** – This program provides leadership and life skills development for students attending Osborne High School in Cobb County, Georgia.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash and Cash  
Equivalents**

BrightPoint considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Contributions  
and Donations**

In-kind support is recognized for professional services received if those services (a) create or enhance long-lived 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. No amounts meeting this definition were received during 2014.

Donations of tangible assets are recognized at fair market value when received. Amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses or assets. There was no in-kind support during 2014.

Contributions are recorded at fair market value as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.



**BRIGHTPOINT FOR CHILDREN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Fixed Assets**

Fixed assets are carried at cost except for donated items, which are recorded at estimated fair market value when donated. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets with transportation equipment depreciated over 3-years. It is BrightPoint's policy to capitalize expenditures for fixed assets having an estimated useful life of one year and an initial purchase price in excess of \$5,000. Repairs and maintenance are charged to expense as incurred.

**Functional Expense  
Allocations**

Costs of providing programs and services have been summarized on a functional basis on the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

BrightPoint is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. BrightPoint is also exempt from Georgia income taxes. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and Georgia corporate income taxes.

Management considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to its status as a not-for-profit entity. Management believes that it met the requirements to maintain its tax-exempt status and that it has no income subject to unrelated business income tax; therefore no provision for income taxes has been provided in these financial statements. BrightPoint's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

**Investments**

Investments are accounted for in accordance with authoritative guidance which states that investments in equity securities with readily determinable fair market values and all debt securities should be reported at fair market value with gains and losses included in the statement of activities.

**BRIGHTPOINT FOR CHILDREN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Fair Value**

**Measurement**

BrightPoint measures fair value at the price that would be received upon sale of an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Authoritative guidance establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values, requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets.

Level 2: Unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Significant unobservable inputs for the asset or liability.

Management has determined that the carrying values of its assets and liabilities approximate fair value; and that all are categorized as Level 1.

**Net Assets**

BrightPoint reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2014, there are no permanently restricted net assets.

**Unconditional**

**Promises to Give**

Promises to give are recognized as support when the donor makes a promise to give to BrightPoint that is, in substance, unconditional. Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate applicable to the year in which the pledge is made. Management considers recorded amounts to be collectible.

**BRIGHTPOINT FOR CHILDREN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Use of Estimates**            Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**Subsequent Events**        BrightPoint evaluated subsequent events for potential required disclosures through August 13, 2015 which is the date the financial statements were available to be issued.

**NOTE C – INVESTMENTS**

The following table summarizes the valuation of BrightPoint’s fair value measurements, all of which are Level 1 investments, in accordance with authoritative guidance as of December 31:

	2014
Domestic Short-Term Bond Mutual Funds	\$85,467
Domestic Equities Exchange Traded Funds	10,344
Equities	3,862
Total	\$99,673

**NOTE D - INTANGIBLE ASSETS**

Intangible assets include website development totaling \$7,685. The website was placed in service in 2015 at which time amortization will be determined using the straight-line method over a 36-month period.

**NOTE E– TEMPORARILY RESTRICTED NET ASSETS**

	2014
Temporarily restricted net assets include the following as of December 31,	
Child sponsorship programs	\$3,343
Total	\$3,343

**BRIGHTPOINT FOR CHILDREN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014**

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**NOTE F– OPERATING LEASE**

In September 2013, BrightPoint entered into an operating lease commencing October 1, 2013 and expiring September 30, 2016. After the first 12-months, the lease contains a provision whereby the Lessee, at its option, may terminate the lease. Future minimum lease payments are:

<b>For the Year Ended December 31,</b>	<b>Amounts</b>
2015	<b>\$13,725</b>
2016	<b>10,530</b>
	<b>\$24,255</b>

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For the year ended December 31, 2014 rent expense was \$12,755.

**NOTE G– CONCENTRATIONS**

BrightPoint maintains its cash balances in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2014 there were no amounts held at financial institutions in excess of the FDIC limits.

**NOTE H– RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2014 BrightPoint received donations approximating \$40,000 from members of its Board of Directors or from their related organizations or from organizations from which they can direct funds.